British ships and West China, 1875-1941: With special reference to the Upper Yangtze.

Thesis

BRITISH SHIPS AND WEST CHINA, 1875 - 1941

With special reference to the Upper Yangtze

A D I S S E R T A T I O N

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ABSTRACT OF DISSERTATION

British Ships and West China, 1876 - 1941

This dissertation describes the activities of British ships in west China, especially on the Upper Yangtze, in the first forty years of this century. The beginning of this period coincided with the high water mark of imperialism, and its close with the decline of imperialism in most parts of the world. This was probably more clearly illustrated in west China than in any other part of the world, and this was one main area of Anglo-French colonial rivalry. It is difficult today to realise that as late as 1940, Britain was still pursuing an expansionist policy here, and inducing a China, hard pressed by Japanese aggression, to cede tracts of territory on her far western border to Burma.

The contribution of British shipping to the country's prestige and prosperity is insufficiently appreciated. On the Upper Yangtze and on the West River, British ships were trading in comparatively unknown parts of the world, yet in parts with a much longer history than western Europe. The war brought west China into international prominence, and hastened its economic development. British people can look back with some pride on the part their merchants and sailors played in the early stages of this development. It was an historic anachronism, that British ships were trading 1,400 miles from the sea in a foreign country as late as 1940, as long before then the rights of cabotage had been abolished in almost every other part of the world.

I have attempted to describe the operations of these British ships against the international political situation in the Far East. To some extent this was reflected in rivalry in shipping on the Yangtze, and coincided with the rise of Japan as a world power, and the growth of nationalism and communism in China.

Contents

PREFACE

I became interested in the Upper Yangtze and west China soon after I arrived on the China coast in 1928. I first sailed on the southern section of the coast, however, between Amoy, Swatow, Hong Kong and Singapore, and not until two years later did I first see Shanghai and the Yangtze. Then in 1931 I was appointed to the China Navigation Company's Kiating at Shanghai, then preparing to go to the Upper Yangtze for the season, after her annual overhaul. Unfortunately, the sudden illness of an engineer on another ship resulted in my hurried transfer to that ship, and my best chance of sailing on the Upper Yangtze and through the Yangtze Gorges eluded me.

I have always regretted not having sailed above Ichang, apart from a launch trip from Ichang to see the Ichang Gorge, the first of the gorges, and so I have never seen Szechwan or west China. This may well have increased my interest in this almost legendary region, and my study and discussion of it with more fortunate colleagues has intensified this interest. An additional stimulus was the discovery during my research that the Pioneer, the first commercial steamship on the Upper Yangtze, was built at Blackwood and Gordon's shipyard at Port Glasgow, where I served the first three years of my engineering apprenticeship.

The activities of the China Navigation Company figure very largely in this dissertation. This is not only because of my personal association with this company over many years; but also because information about its operations on the Upper Yangtze during the important inter war years has been more accessible than that of its old rival, the Indo-China Steam Navigation Company.

The difficulties which British ships had experienced and overcome on the coast and on the Lower Yangtze during the first three quarters of the nineteenth century, attained a new dimension when they reached the Upper Yangtze. The Chinese were reluctant to permit further penetration of their country by Europeans, whether missionaries or merchants, and agreements grudgingly wrung from them by the Western Powers were hedged about with so many ambiguities and restrictions, as to be of limited practical value. To further complicate matters, attempts to extend Western trade into the Upper Yangtze and west China came at a time when central government authority - never strong at the best of times - was breaking down. Even had the central government been anxious to honour its international commitments, it lacked the power to make provincial authorities comply.

In his Trade in the Eastern Seas, Professor Parkinson argues that maritime history has never yet taken its rightful place as a subject for investigation. "We have on the one hand, the economic historian who tells us much about imports and exports, but very little about shipping. We have, on the other hand, the student of nautical archaeology, who tells us much about ships, but very little about trade. Somewhere between these two types of scholarship lies the true history of the sea. Maritime history I have called it."[1] This study is an attempt to fill this gap in a little known section of British shipping history.

The material for this study has been obtained from many sources; but the main source until 1916 has been the Reports of the British Consuls at the Treaty Ports of China. These cover many aspects of

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1 C. Northcote Parkinson, Trade in the Eastern Seas 1793 1815 (1937) p. XL

the British presence on the Yangtze - political and social, as well as commercial. The primary source for most statistics relating to shipping, however, is the Reports of the Chinese Maritime Customs at the Treaty Ports, compiled by the Commissioners of Customs at these ports. Many of these men were British, and there was a close relationship, and often close friendship, between the Commissioners and the British Consuls. This resulted in shipping and trade statistics being obtained from the Customs Reports, as is acknowledged. Unfortunately, although the Consular Reports continued to be sent to the Foreign Office after 1916, they were not published separately, and have proved unavailable for study. The Department of Overseas Trade, however, which was formed in 1919, has incorporated much of the information from these reports in its own reports, and after 1919 these have been drawn upon. Where shipping and trade statistics have been obtained from secondary sources, in most instances these have been supplied by people in a position to study the Reports of the Chinese Maritime Customs.

Another source of information on British shipping on the Yangtze is Admiralty Papers, compiled from the reports of officers of the Royal Navy serving on the Yangtze.[2] In particular these have provided valuable information on the peculiar hazards facing steamships on the Upper Yangtze. Three unpublished theses on West China and adjoining regions have also provided much valuable historical and political background.[3] There have also been innumerable magazine and

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2 Admiralty Papers, The Yangtze Kiang Pilot 1914, published by The Admiralty, London

3 W.T.K. Chan 'British Enterprise in South Western China 1885 - 1890' (unpublished B.Litt. thesis, Oxford University 1965) L.R.Marchant, 'Anglo-Chinese Relations in the Provinces of the West River and the Yangtze 1889 - 1900 (unpublished M.A. Thesis, London University 1965); Ma Thaung, 'British Interests in Trans-Burma Trade Rotes to China 1826 - 1876' (unpublished PhD thesis, London University, 1954).

newspaper articles, and the writings of British and foreign travellers in west China too numerous to mention here. In the lesser known parts of China the spelling of cities and towns, and of proper names, poses problems. In most cases I have used the forms most common in modern books, although in some cases this may offend classical Sinologists.

The most important English language newspaper in the Far East was the North China Daily News of Shanghai, which paid particular attention to shipping. Unfortunately runs of this newspaper for the period under consideration are missing from the files of the British Library. Fortunately, however, almost complete runs of the North China Herald, the weekly edition of the North China Daily News, are available in this library, and have proved a valuable substitute. Another important source has been the China Year Books, published by the Peking and Tientsin Times until 1940, which have been particularly valuable for the 1920s and 30s.

In conclusion I would like to thank the many people and institutions which have helped me in my research. First on this list are Messrs John Swire and Sons, London, managing owners of the China Navigation Company, for allowing me access to the Swire Archives, recently deposited at the School of African and Oriental Studies of London University. Through their kindness, and that of former employers, Messrs Harrisons (Clyde) Limited of Glasgow, I was able to visit Hong Kong in the summer of 1977, and study material at the University and the City Library there, material not available in this country. I should also like to thank Messrs Matheson and Company, London, who represent Jardine, Matheson, and Company, of Hong Kong, managing owners of the Indo-China Steam Navigation Company, for permission to study the Jardine Archives at the Library of the University

of Cambridge. Unfortunately, while providing valuable material on the early period on the Yangtze, these Archives come to an end in the 1890s just when the China Navigation and the Indo-China Steam Navigation Companies were becoming actively involved on the Upper Yangtze. Incomplete as this study may be, I hope it will prove useful to others interested in British shipping in Chinese waters, a subject which I consider has been seriously neglected.

List of Maps

List of Abbreviations for Footnotes

BPP British Parliamentary Papers, which until 1916 included British Consular Reports from the treaty ports of China

CMC Reports of the Chinese Maritime Customs, Shanghai. In Britain only available at the British Library up to 1940. Main body of these reports is in Chinese; but they also have a valuable introduction in English

CYB China Year Books, published by the Peking and Tientsin Times, Peking, China until 1940. Since 1950 published in Taiwan by the Nationalist Government of China

NCDN North China Daily News, Shanghai, the principal English language newspaper in the Far East until 1941

NCH North China Herald, weekly edition of the above

OTR Reports on the Commercial, Industrial, and Economic Situation in China; published for the Department of Overseas Trade by H.M.S.O., London. After 1919 these contain much of the information previously available in the British Consuls' Reports from the treaty ports of China.

SA Swire Archives. Papers and letters of Butterfield and Swire and of John Swire and Sons, London, and the China Navigation Company. These have been deposited in the Library of the School of African and Oriental Studies, University of London

SCMP South China Morning Post, Hong Kong. Now the principal English language newspaper in the Far East.

INTRODUCTION

Description of conditions under which British ships operated in Chinese waters in pre-treaty and treaty port times, i.e. before and after 1842, with some remarks on the British China Consular Service and the Chinese Maritime Customs. The importance of the Yangtze and a brief description of the river. Neglect of maritime history and importance of the Yangtze to Britain.

In his England's Quest of Eastern Trade, Sir William Foster maintained that by the middle of the sixteenth century, the need of finding new outlets for English products had become insistent, and that the most hopeful project seemed to be that of discovering new markets in the Far East. "It is commonly asserted" he wrote, "That English endeavours to open up trade with the East were mainly prompted by a desire to obtain pepper and spices for home consumption; and it is further explained that the demand for these condiments was constant and urgent, owing to the fact that only preserved meat was available during the winter season. It may be conceded that the prospect of finding a valuable return cargo added materially to the attraction of the venture; but that the principal object was to find fresh markets for English manufactures, especially for woollen goods, will, it is hoped, be made abundantly clear in the pages which follow."[1] Foster was in this following in the footsteps of Hakluyt, who wrote in The Principall Navigations, "Because our chiefe desire is to find out ample vent of our woollen cloth (the natural commoditie of this

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1 Sir W. Foster, England's Quest of Eastern Trade (1933) p.5-6

our realme), the fittest places ..... are the manifold islands of Japan, and the northern parts of China, and the regions of the Tartars next adjoining."[2]

By the time Britain, through the East India Company, had become established in the China trade, however, raw cotton and opium from India, and cotton goods from Britain were the main imports into China. In the Company's early charters it had been stipulated that a fixed amount of woollen goods be exported to China each year. Owing to the difficulties of the market, however, these were often sold at a loss, which was recouped from the profits made on tea and opium, and it was nearly two centuries later before serious attempts were made to export British goods to China, and then the first emphasis was on cotton goods.

In the early nineteenth century campaign to open the China market, Chambers of Commerce - especially that of Manchester - were in the forefront; but manufacturers all over Britain were equally in favour of this and also of ending the East India Company's monopolies. The government was also aware of the need to find new markets abroad, and Lord Palmerston, when writing to Lord Auckland, Governor-General of India during the First China War in 1841 said "The rivalship of European manufacturers is fast excluding our productions from the markets of Europe, and we must remittingly endeavour to find in other parts of the world new vents for our industry ..... If we succeed in our China expedition, Abyssinia, Arabia, the countries of the Indus and the new markets of China will at no distant date give us a most important extension to the range of our foreign commerce."[3]
A year later, after Hong Kong had been annexed, Sir Henry Pottinger,

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2 R. Hakluyt, The Principall Navigations (1903-05) Vol.2 p.12

3 M. Collis, Foreign Mud (1946) p.158

the first Governor, was even more enthusiastic. He told the merchants of Manchester that "all the mills of Lancashire could not make stocking stuff for a single province of China."[4] Fifty years later when Chungking on the Upper Yangtze became a treaty port, experience had still not altered the belief in an inexhaustible market for British goods in the interior of China. The Times wrote "The Yangtze basin of more than half a million square miles would, if trade with Great Britain were properly developed, keep the mills and furnaces of the whole United Kingdom in constant employment."[5]

Britain was not only the leading industrial country in the world until the end of the nineteenth century, but - resulting from this - had played the leading part in opening China to foreign trade. By the time the other industrial countries began to industrialise and take part in this, Britain had come to regard it as something of a British preserve. British predominance was supported by British banks in Hong Kong and Shanghai, by an efficient shipping industry, and by a pervading presence in the Chinese Maritime Customs. The British Ambassador at Peking was the most powerful foreign diplomat in China, and exercised an unofficial influence over the direction of foreign affairs, sustained by the knowledge that Britain controlled some seventy per cent of China's foreign maritime trade, and by the presence of British naval power on the China coast and along China's principal waterways. British influence was paramount at Shanghai, and the Yangtze region regarded as an area of special British interest,

International developments in both Europe and the Far East in the 1890s seriously threatened the British position. The Dual

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4 E. Holt, The Opium Wars in China (1964), p.169

5 The Times 9.4.1890

Alliance of 1894 between France and Russia, and the Sino-Japanese War of 1894-5, were important milestones, although there had been portents of change in the previous decade. Not only was China's weakness exposed to the world; but Britain's policy of 'Splendid Isolation' began to lose much of its attraction. There was apprehension of German ambitions in China, and that her influence would spread from Shantung into the Yangtze region. There was also, of course, continued suspicion of French ambitions in the south, where French concessions from China threatened the British approach to west China from the Yangtze and the West River.

It was during this period of international tension that steam navigation on the Upper Yangtze became technically possible, and the Upper Yangtze was opened to foreign ships. Britain finally realised that the Upper Yangtze, and not an overland route from Upper Burma was the natural means of communication with west China. The French were also aware of the importance of the Upper Yangtze. After the Lagrée-Garnier expedition of 1866-8 had proved the unsuitability of the Mekong approach from Saigon, they had concentrated on a route into Yunnan by the Red River from Haiphong. French threats to British commerce, however, were never very substantial, as France - unlike Germany - lacked a strong industrial base. The much shorter ocean route from Europe to Indo-China by subsidised French shipping, compared with the longer route to Hong Kong and Shanghai, however, might be considered a potential threat.

The extension of British shipping and commercial interests into the Upper Yangtze, disturbed the Admiralty, as they would be called on to protect British lives and property over one thousand miles from the sea, and at a time when nationalism and xenophobia were increasing all over China. The Royal Navy had been in the forefront of British

penetration of the Yangtze region, where trade had almost literally "followed the flag". From the beginning of the treaty port era, Admiralty policy had been to station a gunboat at every important treaty port, and this policy had continued as British shipping and trade moved north from Canton to Shanghai and Tientsin, and then up the Lower and Middle Yangtze. In spite of a natural reluctance to get embroiled so far from salt water, the Navy continued this tradition into the Upper Yangtze, and in 1900 H.M.S. Woodcock and H.M.S.Woodlark were the first steamships - apart from Little's wooden steam launch - to navigate the Upper Yangtze.

Fayle, Kircaldy, Thornton, and other writers on British shipping, pay little attention to British shipping in Chinese waters, apart from the ritual mention of the opium and tea clippers, and of the Peninsular and Oriental Steam Navigation Company.[6] The Yangtze is particularly neglected, and where the Upper Yangtze is concerned, neglect approaches oblivion. Even Professor Hyde, who has studied Far Eastern shipping extensively, has little to say about the Yangtze and practically nothing about the Upper Yangtze.[7] Yet, for some three quarters of a century British interests in the Yangtze region were considered so important, that on several occasions between 1890 and 1937 Britain risked war to protect those interests. On at least three ocasions after 1900, when a general policy of appeasement was being followed in Europe, powerful concentrations of British military and naval strength were assembled in Shanghai and on the Yangtze.

The first occasion was in 1900 during the Boxer Rebellion, when -

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6 C. Ernest Fayle, A Short History of World Shipping (1933); A.W. Kircaldy, British Shipping (1914); R.H. Thornton, British Shipping (1959).

7 Author of Blue Funnel, A History of Alfred Holt and Company of Liverpool (1957); Far Eastern Trade (1974)

in addition to the British military and naval contingents which were a major part of the Internal Force relieving Peking - other military and naval forces were sent to Shanghai and the Yangtze to prevent the Boxer troubles from spreading to the Yangtze region. In 1926 again, at the height of the fighting between the Kuomintang and the northern war lords and during the confrontation between the Kuomintang and the Western Powers on the Lower Yangtze, strong naval reinforcements were sent to the Yangtze. Britain had ten warships at Shanghai and another ten at Hankow, and also landed three infantry battallions at Shanghai to protect the International Settlement. By March 1927 there were some 18,000 foreign troops in Shanghai of whom 10,000 were British. There were also 1,500 volunteer soldiers of the Shanghai Defence Force, of whom seventy five per cent were British. The Sino-Japanese hostilities at Shanghai in 1932 again caused a large reinforcement of British military and naval forces at Shanghai; but on this occasion the trouble was confined to the Shanghai area, and the Yangtze above Shanghai was unaffected.

The conditions under which British ships operated in Chinese waters, especially in inland waters, became increasingly anachronistic in the late nineteenth and early twentieth centuries. By then the right of cabotage, of ships trading in the territorial waters of another country, had been rescinded in most parts of the world. In any study of British shipping in China, therefore, it is necessary to know something of the diplomatic and political background, and of Anglo-Chinese relations.

After 1842 British subjects in China enjoyed extra-territorial rights, and came under the jurisdiction of British Consuls, who were stationed at the most important trading centres. These rights of

cabotage, extrality, and others, were secured through a series of treaties which had been concluded between China and other countries, mainly Britain, France, the United States, and Japan. These were often called the 'Unequal Treaties', and a feature of all of them was the "most-favoured nation" clause. This stipulated that privileges granted to one country were automatically extended to all other countries in treaty relationship with China. This whole system of cabotage, extrality, open ports, concessions, etc., was called the 'treaty port system', and was inaugurated by the Treaty of Nanking of 1842 between Britain and China.

Before 1842 China's foreign maritime trade had been conducted under what was known as the 'Canton Commercial System', or the 'Old China Trade'. Until early in the eighteenth century Sino-Western trade had been carried on at several ports on the China coast, including Canton, Macao, Amoy, Ningpo, and in Formosa. By the early eighteenth century it became concentrated at Canton, and in 1757 an Imperial Edict made this legal and compulsory. Between 1757 and 1842, therefore, when the China trade was undergoing great expansion, it was confined to Canton, and conducted under very strict conditions, known as 'The Eight Regulations'.[8]

Canton had always been China's main port for trade with India and South east Asia, and Arab traders had been settled in the city as early as the fourth century A.D. When the Chinese allowed the East India Company to establish a factory at Canton in 1699, therefore, they were merely conforming to tradition. Foreigners, however, were only allowed to stay at Canton during the actual trading season, which

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8 These are summarised at the end of the Introduction

was controlled by the monsoons, and usually lasted from September until the following March or April. For the rest of the year they lived at Macao, the Portuguese settlement some ninety miles below Canton. The object of the restrictions on foreigners and foreign trade was to limit intercourse between Chinese and foreigners, and - while keeping the volume of trade small and contact between Chinese and foreigners correspondingly small - make it as profitable to the Chinese as possible. China was then as self satisfied as she was self sufficient, and insisted that relations with other countries be as between ruler and vassal.

The conditions under which foreigners lived at Canton in those days were probably not so very different from those under which the Hanse and other traders had lived in the European cities of the Middle Ages and later. They were certainly much less irksome than those under which Dutch traders lived at Deshima during the same period, when they were the only Europeans allowed in Japan.[9]

During the trading season at Canton, some fifty or sixty of the world's finest ships anchored at Whampoa, twelve miles below the city. They lay there for several months, during which time their crews were only allowed two visits to the city, in parties not exceeding twenty. Their objective was Hog Lane, a narrow lane behind the trading factories, where the drink shops and other attractions so sought after by sailors after a long and uncomfortable voyage were located. 'First chop rum Number One' was a favourite brew, purveyed by characters with equally colourful names, such as "Old Jimmy Afoo", "Ben Bobbity", "Tom Bowling", and "Jolly Jack."

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9 This description of the 'Canton Commercial System' is based very largely on the following books:- Maurice Collis, Foreign Mud (1946); M. Greenberg, British Trade and the Opening of China (1951); and H.B. Morse, The East India Company in China (1903).

The East India Company's senior officials were the only foreigners acknowledged by the Viceroy, or high Chinese officials, although they never deigned to receive them, or to communicate with them, directly. These senior officials formed what was called the Select Committee, the Presidency of which was one of the most highly prized posts in the Company's service. He was often a close friend or relative of an influential director of the Company in London. A group of Chinese merchants called the Cohong, controlled the trade from the Chinese side, as the Company did from the British side, and these merchants were licensed by the Viceroy and were responsible to him for the conduct of the foreigners, both on the ships and in the factories on shore. They also acted as intermediaries between the Chinese authorities and the foreign merchants. There were at least two other groups of similar Chinese merchants at Canton at this period, all called merchants in oceanic trade, or "yang-hang". One group controlled trade with the coast north of Canton, and another trade with South east Asia. Like the East India Company, the Cohong was a monopoly, and for most of the period numbered thirteen merchants. Again, and like the East India Company, the Cohong sometimes farmed out some of its privileges to outsiders.

British ships trading at Canton during the period of the 'Canton Commercial System' either belonged to the East India Company, were chartered by it, or were British Indian 'country ships'.[10] During the eighteenth, and for the first third of the nineteenth century, the Company's monopoly embraced trade between India and China, as well as trade between Britain and India and Britain and China. But - while its monopoly of the Britain-India and Britain-China trades was

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10 see Glossary

jealously guarded - outsiders licensed by the Company were allowed to take part in the trade between India and China. These outsiders were sometimes servants, or former servants of the Company, who had invested the wealth from 'shaking the pagoda tree' in Bengal, in Indian 'country firms', often in partnership with Indian or Parsee merchants.[11] The Company was indulgent to such traders, so long as they did not interfere with the Company's main trade in tea. In fact, the silver they earned by the sales of cotton and opium was essential to the overall economy of the Company and its Indian administration. These 'country ships' were among the finest of their time, being built of teak in India or Burma, and being almost indestructible.

Cotton had been India's main export to China for centuries, and continued to be this during the Company's early period at Canton. In 1773, however, opium was exported from India to China in British Indian country ships for the first time, and soon became of overriding importance, supplanting cotton as the main export in 1823. The fact that the import and smoking of opium was illegal in China, was the main factor bedevilling Anglo-Chinese relations for the remainder of the nineteenth century.

The abolition of the East India Company's monopoly of the India trade in 1813, and of the China trade twenty years later, led to a period of lawlessness and uncertainty at Canton. While its monopolies had been valid the Company's officials at Canton had exercised an ad hoc control over all the British merchants at Canton, most of whom had been licensed by the Company. The abolition of these monopolies weakened this authority, and allowed many British and other foreign

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11 Term applied to wealth obtained from private trade and other extra curricular activities of the East India Company officials in Bengal. It can be loosely equated with 'pidgin' and 'squeeze' in China.

merchants to invade the Canton trade, mainly in the illegal opium trade, which was then increasing rapidly. At the same time there was a great expansion of the China trade as a whole, legal and illegal, and it was becoming increasingly difficult for all the shipping required to be accommodated at Canton. All the countries concerned with the China trade wanted other ports to be opened to foreign trade, and this clashed with the Chinese government's policy of exclusion. Eventually this clash of interests led to the First China War between Britain and China, to the Treaty of Nanking of 1842, and to the inauguration of the 'treaty port system'.

Fifty years later when British ships began to operate on the Upper Yangtze, over 1,000 miles from the sea, this system was firmly established, and deeply rooted in the mentality of the Western Powers. It was conveniently forgotten, or overlooked, that China had had no option but to sign the 'Unequal Treaties', and that the concessions and privileges of the treaty port system had been wrung from her by force majeure.

The system had certain similarities with earlier trading systems in other parts of the world. Some features resembled the Hanseatic trading system in the Europe of the Middle Ages and in the trading systems in Persia and Turkey later. Japan and Siam also had treaty ports and extrality between 1864 and 1900 and between 1854 and 1922 respectively; but in each case on a much smaller scale than in China. In China itself, there were similarities between the nineteenth and twentieth century treaty ports and the Arab and Persian trading colonies which had flourished at Canton from the eighth to the twelfth centuries. In the words of an Indian historian, "the Powers now

claimed rights and privileges, dignities and prerogatives, which by a liberal interpretation, backed by force, developed within a period of fifty years into a special corps of international law, covering every aspect of Chinese life."[12]

In addition to the commercial and legal features of the treaty port system, the main contrast between it and the preceding Canton Commercial System, lay in Sino-Western relations. In pre-treaty Canton the foreign merchants had been subject to many restrictions and humiliations, and had been looked down upon by the haughty scholar-officials, loosely called the mandarins. At the post 1842 treaty ports, however, the situation was almost completely reversed. By virtue of the Treaty of Nanking, following Britain's easy victory in the First China War, the foreigners had the upper hand. This was further emphasised sixteen years later after China's even more humiliating defeat in the Second China War. This had resulted in the Treaty of Tientsin of 1858, and the granting of further concessions and privileges to Britain.

For its effective operation the treaty port system depended on two separate, but related institutions, the British China Consular Service and the Chinese Imperial Maritime Customs.[13] In the first two decades of the treaty port era Britain was the only Power with a professionally qualified consular service in China, and shortly after 1842 each important treaty port was provided with an adequately staffed consular establishment. Through a fortunate combination of

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12 K.M. Pannikar, Asia and Western Dominance (1953) p.129

13 See J.K. Fairbank, Trade and Diplomacy on the China Coast (1953)
J.K. Fairbank, East Asia: The Modern Transformation, with Albert Craig and Edwin O. Reischauer, (Tokyo 1965)
See S.F. Wright, Hart and the Chinese Customs (1950)

circumstances, the first British Consuls were men who already had some experience of China, a knowledge of the language and history, and some sympathy for the Chinese point of view.

Among these first consuls were H.N. Lay, H. Parkes, R. Alcock, and T.F. Wade, of whom the last three were knighted for their services.[14] The first two had spent part of their boyhood in China, and were proficient in Chinese from their early years, while Wade and Alcock had both commenced their careers in the army, the latter as a surgeon. They were a remarkable quartet, and all had distinguished careers in China. Lay, who became the first Inspector General of the Chinese Maritime Customs, however, was handicapped by an overtly patronising attitude towards the Chinese, which caused his career in China to be cut short; but the other three all ended as British Ambassador at Peking. Wade also achieved fame as the originator of the Romanisation of Chinese characters, and after retiring from China became the first Professor of Chinese at the University of Cambridge. When he retired from this post in 1897 he was succeeded by H.A. Giles, also of the China Consular Service. Two of Giles' sons followed their father in the Consular Service, while a third became Keeper of Oriental Books and Manuscripts at the British Museum.

Not only were the British Consuls the first, and most able, Western Consuls at the treaty ports, they were also - at least until the end of the nineteenth century - the only consuls able to rely on effective naval assistance. Their activities in this respect led to the coining of the phrase 'gunboat diplomacy'. When the East India Company controlled the China trade there was little need for naval protection

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14 See A. Michie, An Englishman in China (life of Sir R. Alcock), (1900)
See S. Lane-Poole, Life of Sir Harry Parkes (1894)

in Chinese waters, and the Cantonese were traditionally opposed to foreign warships in their waters. The large and well armed East Indiamen were well able to protect themselves against the pirates who infested the Canton River delta, as were the smaller, but faster and even better armed opium clippers.

In spite of Chinese reluctance, however, British warships called at Canton on several occasions before 1842. Anson called there in the Centurion in 1741, in the course of his famous voyage on which he captured the Manila galleon. Then in 1779 Cook called with the Discovery and Resolution, after his three years' cruise in the Pacific. Cook's ships were careened and refitted at Canton, the East India Company advancing the money in return for bills on London. On these occasions the Navy resorted to the age old excuse of seeking refuge from storms, or of urgent need of food and water.

Neither the East India Company nor the outside British merchants wanted naval visits to Canton, being afraid these would upset their delicately balanced relations with the Chinese. In the First China War of 1839-42, the Navy had many ships operating on the Canton River, on the coast up to Shanghai, and on the Lower Yangtze; and after Hong Kong became a British Colony it also became a naval base. From this time the Navy not only carried out anti-piracy operations in Hong Kong territorial waters; but also in the Canton River delta and on the coast north to Shanghai, sometimes in cooperation with the Chinese, or with their permission.[15]

The Treaty of Tientsin of 1858 was the first official agreement between Britain and China to refer specifically to the Royal Navy and

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15 Grace Fox, British Admirals and Chinese Pirates (1940)
J.D. Hay, The Suppression of Piracy in the China Seas (1849)

pirates. Article 52 gave the Navy permission, when in pursuit of pirates, to enter any port on the coast. Provision was also made for the punishment of pirates, restoration of stolen goods, and so on. The Admiralty interpreted these provisions liberally, and adopted a policy of stationing a gunboat at every important treaty port on the coast and on the Yangtze, where in the event they were more often employed coercing the Chinese authorities into compliance with unpopular clauses in the treaties. By the time British ships were operating on the Upper Yangtze, there was a permanent Yangtze Squadron under a Rear Admiral, whose flagship was stationed at Hankow.

In spite of their association with 'gunboat diplomacy', many British Consuls were so steeped in the culture and history of China that they were accused by their fellow countrymen in commerce, of "ministering to Chinese exclusiveness", and failing in their duty of promoting and expanding British trade. The Consuls, however, were typically Victorian in their belief in the beneficial - almost therapeutic - effect of British trade on China. Sir Rutherford Alcock, one of the most able British Ambassadors to China in the latter half of the nineteenth century said: "Foreign trade, especially British trade, is the great specific for most of the ills of China."[16]

The Reports of the British Consuls were specially valuable in the first decades of the treaty port era, as they were the only Europeans qualified to give an accurate description of the treaty ports, and of Anglo-Chinese and Anglo-Western relations, in the peculiar conditions of nineteenth century China. Without their tact and firmness in winning Chinese cooperation in the working of difficult and complicated treaties and agreements, British trade and shipping

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16 A. Michie, An Englishman in China (1900) p.152

would never have developed as they did. The treaty port system was unique, and these early British Consuls were uniquely qualified to describe it.

Until the British Legation was established in Peking in 1861, the Consular reports were forwarded to the Superintendent of British Trade in Hong Kong, who was also Governor of the Colony, and were sent by him to the Foreign Office. After 1861 they were forwarded to Peking, and from there - supplemented by an Annual Report on the Foreign Trade of China compiled by the Commercial Attaché at the Legation - sent to the Foreign Office. This Annual Report not only covered the commercial activities of the other Western Powers and Japan; but Anglo-Chinese relations, and the political, economic, and social situation in China.

Shipping and trade statistics of the treaty ports were taken almost verbatim from the Reports of the Commissioners of the Chinese Maritime Customs. Every British Consul acknowledged his debt to the Commissioner of Customs at his port, often a fellow countryman and friend, for providing this information.

The British China Consular Service, as a distinct and separate branch of the Foreign and Diplomatic Service, was created immediately after the Treaty of Nanking. Neither the United States, France, or any other country, had consuls of the same calibre, and Professor Fairbank, the American historian, believed that early British predominance in trade and shipping was largely due to their work.[17]

The Chinese Maritime Customs was originally the creation of the American, British, and French consuls at Shanghai, who - during the

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17 J.K. Fairbank, Trade and Diplomacy on the China Coast (1953)

disruption caused by the Taiping Rebellion - supplied representatives to administer the service when it was first established at Shanghai in 1854. When the American and French representatives withdrew a year later, Thomas Wade, the British representative, continued as sole Western administrator, and from then Britain began to exercise a predominant influence over Customs administration and policy. When Wade returned to the Consular Service in 1856 he was succeeded by another British Consul, H.N. Lay. After being sole foreign administrator for several years, Lay became the first Inspector General of an expanding Customs Service in 1861.

Lay was succeeded by Robert (later Sir Robert) Hart, who was Inspector General for almost fifty years, and he by Sir Richard Aglen, who in turn was succeeded by Sir Frederick Maze. Until foreign influence was completely eliminated after the Communist victory in 1949, more than half the senior foreign staff of the Customs was British, and British trade contributed some seventy five per cent of Customs revenue. In 1875, for instance, 265 out of a total foreign staff of 424 were British, and thirty years later 758 out of 1,345. In the latter year the remainder included 170 Germans, eighty eight Americans, sixty eight Norwegians, sixty four Frenchmen, forty eight Swedes, down to one Hungarian and one Luxemburger.[18]

The relationship between the China Consular Service and the Chinese Maritime Customs is illustrated by the career of Sir Robert Hart, who had commenced his career in the Consular Service. In 1882 when Sir Harry Parkes, the British Minister to China died, Sir Robert was offered and accepted his post in Peking. He changed his mind

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18 Much of this information on the Chinese Maritime Customs has been obtained from A.F. Wright, Hart and the Chinese Customs (1950)

before taking office, however, as he thought he could best serve both Britain and China as Inspector General of Customs. There was the possibility that his successor in the Customs would have been Gustav Dietring, the German Commissioner of Customs at Tientsin. Dietring was an ally and protégé of Li Hung-chang, Governor General of the metropolitan province of Chihli, who resented Hart's influence at Peking, and often opposed his policies. Every British Minister to China in Hart's time, was advised by the Foreign Office, "when in doubt, consult Sir Robert Hart."

During the 1920s and 30s an increasing number of Chinese were admitted to the senior grades of the Customs Service, and the proportion of foreign staff decreased. Until the end of the treaty port era, however, the Chinese Maritime Customs was still the largest employer of British nationals in China, and with their families these were a very important element in the British community in China.

In 1928 the Western Powers agreed to China's resumption of her tariff autonomy, Japan agreeing the following year. This enabled China to revise the tariff, and in 1929 a new and higher schedule came into effect. This, however, only restored it to an effective five per cent, as since the first treaties of the 1840s, there had been only one increase. This was after the Boxer Rebellion of 1900, and was agreed in order to give China additional revenue to pay the Boxer indemnities.

The increase in smuggling following this tariff change caused a great expansion of the Preventive Fleet of the Customs Service. The fleet was steadily increased from only three effective sea-going units in 1929 to twenty six in 1934, in addition to thirty launches for in-shore work. When the Sino-Japanese War broke out in 1937 the fleet had further increased to eighty six sea-going units manned by fifteen

hundred officers and men. Over one hundred of the senior floating staff were British, most recruited from British China coasters, and the Customs naval school had a British instructor.

The treaty port system embodied features unknown elsehwere in the world, or which in some cases had died out elsewhere. The British Consuls' duties included administering highly technical treaties and agreements which legalised these features, often in cooperation with other Western consuls. This was in addition to normal consular work. The British China Consuls were appointed by the monarch, operated through Orders in Council, and performed important administrative and judicial work. They were often the de facto rulers of the concessions and settlements in which foreigners lived and worked, although they often delegated part of their authority to locally appointed councils.[19]

Shanghai was opened to foreign trade as one of the first treaty ports in 1842, and by the time the Lower Yangtze was opened to foreign trade in 1861, Britain was firmly established at the mouth of the Yangtze. When Captain Balfour, the first British Consul, arrived in 1843, he leased 150 acres of land north of the city for the British Settlement, and this was the nucleus of the future International Settlement, which within a century would grow to 5,583 acres with a population of one and a quarter million. In 1848 the original 150 acres was extended to 470 acres, and by then the original twenty three British residents had increased to 180 men and women.

For the first years Americans and French also lived in the British Settlement; but in 1848 the United States obtained an area of her own, as did France shortly afterwards. The United States area, however, was

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19 There is a brief description of the main features of the treaty port system in Appendix 3.

never formally constituted into a Settlement, and in 1863 merged with the British Settlement to form the International Settlement, which became the centre of Western commerce and influence in China. The French elected to continue separate, and their area developed mainly as a residential and social appendage of the Internationnal Settlement, and was called the French Concession. It became an appendage on a very large scale, however, as everything at Shanghai was on a much larger scale than at any other treaty port. At the outbreak of the Sino-Japanese War in 1937 the population of Greater Shanghai was 3,743,761.[20]

Shanghai was nearer the main tea and silk growing areas than Canton, and the natural outlet for Kiangsu Province and the Yangtze Valley, the richest and most productive region in China. The Kiangsu people were peaceful and industrious, and - compared with the volatile Cantonese - refreshingly free from xenophobia. These favourable factors enabled trade and commerce to expand much faster at Shanghai than at Hong Kong or any other treaty port, and caused Shanghai to become known as 'The Model Settlement'. Well before the end of the century Shanghai had overtaken Canton in importance, and become the commercial and financial capital of China.

The opening of the Lower Yangtze and of the northern ports to foreign trade and shipping after the Second China War was an important milestone in Shanghai's history. Japan was opened to foreign trade at almost the same time, so that in the years immediately after 1860 opportunities for the British shipping companies already established

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20 25,584 foreigners and 1,120,860 Chinese in the International Settlement; 18,899 and 479,294 in the French Concession; and 10,125 and 2,089,000 in the Chinese city.

at Shanghai greatly increased. The Hong Kong and Shanghai Banking Corporation was established in 1866, and played an important part in the commercial and financial development of Shanghai. Even more remarkable than this, however, was the manner in which the International Settlement of Shanghai became a modern city state, not only independent of China; but in which the Chinese were treated as members of an inferior race.

When the British Settlement and the embryo American Settlement were amalgamated in 1863, the total foreign population was just over two thousand; some seventy five per cent being British, and the majority of the rest American. British predominance in the International Settlement continued until the end of the treaty port era. It was reflected in the composition of the Shanghai Municipal Council, which for most of its life had seven British, two American, and two Japanese members. Three Chinese members were admitted in 1925, and another two in 1930, and at the outbreak of the Sino-Japanese War the Council had five British, two American, five Chinese, and two Japanese members.

A constant theme in Sino-Western commercial relations has been exaggeration of China's value, actual and potential, as a source of agricultural and mineral wealth, and as a market for Western products. When disillusionment followed experience at the treaty ports on the coast and on the Lower Yangtze, hope of finding an Oriental El Dorado moved inland to west China. The myth of China's legendary wealth persisted, and culminated in the 'Yunnan Myth'. Belief in this was widespread in both British and French official and commercial circles in Burma, India, and Indo-China, and also to some extent in metropolitan circles; but was never so strong among British China traders.

China's Far West seems to have exercised a strong fascination over the British ever since they came to India and Burma. The Chinese themselves shared in this, as is shown by the various flattering names by which Szechwan, the main province of the west, and Chungking, its chief port, were known. Szechwan literally means the "Province of the Four Rivers"; but is often called the "Land of Plenty", while the Red Basin of Chengtu, the heart of Szechwan is called "Tien Fu Chih Kua", or the "Garden of China". Chungking was also blessed with equally felicitous names, such as "Repeatedly Good Luck City", and "River Perfection City". Early European travellers agreed in describing Szechwan as the richest and most populous province in China, and the only doubts were on the best way to reach and exploit this wealth.

Yunnan, the other western province with which this dissertation is concerned, was less well known; but - perhaps because of this - considered by many to be even more wealthy than Szechwan, although much less populous. But - whereas Szechwan was attractive largely because of its potentiality as a market for British goods, especially cotton goods, Yunnan's attraction lay in its mineral wealth. The province was undoubtedly rich in several minerals; especially copper and tin, which had been mined for centuries. When Europeans became familiar with the province, however, many of the richest and most accessible deposits had already been exploited. The rugged and mountainous nature of the country also made communications and transport difficult. The two provinces combined, however, formed one of the richest areas in the world for plants and flowers. This became known before the end of the nineteenth century, and during the first three decades of the twentieth century many notable

scientific expeditions were carried out there. George Forrest, Kingdon-Ward, and Ernest Wilson are among many famous naturalists who explored this region in search of rare plants and flowers.[21] Nowadays, however, it is as the home of the giant panda, that Szechwan is most famous.

There were at least five possible ways into west China, all difficult because of political or physical factors, or a combination of both. There was Burmese and Chinese xenophobia to contend with, Burma's tributary relationship with China, and the relationship of both with the Karen and Shan peoples on the borders. The oldest route from the West was by Upper Burma into Yunnan, much favoured by the British in Burma and India. Then there were at least two routes from Indo-China in the south, one by the Mekong River and Saigon, and the other by the Red River and Haiphong, both under French control. A third route from the south was by the West River from Canton and Hong Kong, under British control at its southern end. Finally there was the route by the Yangtze with which we are principally concerned.

The Yangtze route was comparatively easy for the first thousand miles from Shanghai; but to reach Chungking and Szechwan, the gorges and rapids of the river above Ichang had to be overcome. These were in the 400 miles of the Upper River between Ichang and Chungking, the former 1,000 miles and the latter 1,400 miles from Shanghai. Not until nearly the end of the nineteenth century was it possible to build steamships able to overcome these obstacles.

The Yangtze is over 3,000 miles long, and the total length of

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21 E.H.M. Cox, The Journeys and Plant Introductions of George Forrest (1912); F. Kingdon-Ward, Pilgrimage for Plants (1960); and E.H. Wilson, A Naturalist in West China (1913)

the main river and tributaries is some 40,000 miles. Thus, although only the fourth longest river in the world, the Yangtze system of waterways is probably the greatest in the world, and with a population much greater than other any river system. The Yellow River, the cradle of Chinese civilisation, was originally of greater importance, but for more than 2,000 years it has been surpassed by the Yangtze.

From its source in Tibet to Suifu, where it enters the Szechwan basin, the Yangtze falls some 15,700 feet. Between Suifu and Ichang, where it comes on to the lowlands it falls another 710 feet in the 630 miles, and then in its final 1,120 miles to the sea it falls only 130 feet.[22] The most remarkable section of the river is the 400 miles between Chungking and Ichang, especially the lower half of this. Here the river forces its way through a series of limestone mountains, in the process forming the famous gorges and rapids, and some of the most spectacular river scenery in the world. Overcoming these hazards to reach Szechwan and west China is the major theme of this study.

For convenience of reference the Yangtze is usually divided into three, or sometimes four, sections. The Lower Yangtze is the 600 miles from the sea to Hankow, navigable for ships up to 10,000 tons in the high water season, and for ships about half that size in low water. The Middle Yangtze, the 350 miles from Hankow to Ichang, is navigable for ships up to 4,000 tons in the high water season, and for slightly smaller ships all year round; while the Upper Yangtze, the 400 miles from Ichang to Chungking is navigable for ships of nearly 2,000 tons in the high water season, and for ships of half that size

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22 Yuan li Wu, China, a Handbook (1973). I have taken these particulars from this, rather than from earlier sources, such as the Yangtze Kiang Pilot of various dates before this.

in the low water season.[23] Above Chungking the river is sometimes called the Top River, and in the heyday of foreign shipping on the Yangtze in the late 1920s and 30s, smaller British ships sometimes operated between Chungking and Suifu, 150 miles overland from Chungking, but about 230 miles by the river. This was generally accepted as the limit of steam navigation, although under exceptionally favourable circumstances ships of up to 300 gross registered tons could go another hundred or so miles up the Kialing River to within some fifty miles of Chengtu, the capital of Szechwan.

The opening of Shanghai to foreign trade in 1842, and of the various sections of the Yangtze progressively from 1861, resulted in the eclipse of two old overland trade routes between south and central China, the routes by which many early European travellers had reached Peking. One was from the Pei River above Canton by the Meiling Pass to the Kan River in Kiangsi, and from there by the Poyang Lake to Kiukiang, 150 miles below Hankow. The other was from the Pei River over the Cheiling Pass to the Siang River in Hunan, and then by the Tungting Lake to Yochow, 150 miles above Hankow. It was by the latter of these routes that foreign goods imported into Canton reached Szechwan and west China, before the Upper Yangtze was opened to steam navigation. From Chinkiang, some 460 miles below Hankow, the Grand Canal went north to Tientsin and Peking.

Britain was the largest foreign investor in the Yangtze Valley, and in 1937 estimates of her investments range from £200 to £300 million. Whichever figure is accepted, it was almost as much as was invested in the whole of British India, and more than was invested

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23 No recent particulars are available on the navigation of the Yangtze, and the above are what were generally accepted prior to the Communist victory in 1949.

in British Africa. At the height of the treaty port era, more than sixty British river steamers operated regularly on the Yangtze, most of them based on Shanghai. In addition many ocean going British ships frequently called at Nanking and Hankow. British warships were permanently stationed on the Yangtze, from Shanghai right up to Chungking, and the senior naval officer on the Yangtze (with the rank of Rear Admiral) had his flagship at Hankow. This illustrates the importance of the Yangtze to British trade and shipping, and is the major theme of this study. In the final years of the treaty port era, Britain was prepared to make concessions elsewhere in China, in order to safeguard her vital interests in the Yangtze region.

When studying the Western invasion of China, it is often difficult to distinguish between cause and effect. The wealth of Szechwan and west China began to attract the West just when it became possible to build roads and railways into the region, and steamships able to overcome the physical hazards on the Upper Yangtze, Mekong, and Red Rivers. This was also when international rivalry in China was at its height, which in turn fostered Chinese nationalism and xenophobia. It also coincided with Britain's brief espousal of imperialism, associated more with the British approach to west China from Burma, than with the more commercial approach from the Yangtze. Many British officials and merchants in Burma and India who advocated an overland route into Yunnan from Upper Burma, were in accord with the exponents of the 'Great Game', or 'Forward Policy' in India; the men who visualised British control over vast areas in Central Asia to forestall the imaginary Russian threat to India. It was in these border areas of west China that the last episodes of Anglo-French colonial rivalry were enacted. During the Muslim Rebellion in Yunnan

in 1855 - 1873, the British in Burma were sympathetic to the rebels, while the French in Indo-China supported the Imperial troops. As late as 1927, and again in 1940, Britain induced China to cede tracts of what is now Kachin territory to British Burma.

The gradual disintegration of the whole system of treaty ports, concessions, extrality, and such, began soon after World War I. China entered the war on the Allied side in 1917, and as a result of their defeat Germany and Austria Hungary surrendered all their privileges in China in 1919, Russia following suit shortly afterwards. Japan, however, retained the port of Tsingtao and Germany's former rights in Shantung, which she had taken from Germany early in the war. Allied agreement to this at the Treaty of Versailles (which China refused to sign) was a bitter blow to China. At the Washington Conference a few years later, however, Japan did agree to withdraw from Tsingtao and Shantung; but never fulfilled her promise. At Washington the Powers formally proclaimed their support of the 'Open Door' policy in China and their recognition of China's independence and territorial integrity. They also agreed in principle to the liquidation of the treaty port system.

Chinese nationalism had been invigorated by the war, and by the winning of independence by so many nations in Europe, so that the contrast between the liberal sentiments of the Allies, and their actual post war policy in China increased xenophobia, and caused several boycotts on foreign trade and shipping. In 1926, during the final stages of the Nationalists succession to power, Britain relinquished her concessions at Hankow and Kiukiang, in 1928 the concessions at Amoy and Chinkiang, and finally in 1930 cancelled the lease of Wei-hai-wei.

When the Sino-Japanese War broke out in the summer of 1937,

therefore, excepting Japan's recent and vast encroachments in Manchuria and North China, only the British, French, Japanese, and Italian Concessions at Tientsin, the International Settlement and French Concession at Shanghai, the International Settlement ~~and~~ of the small island of Kulangsu off Amoy, and the even smaller Anglo-French Concession on the island of Shameen off Canton, remained as foreign controlled enclaves in China. Foreign warships, however, still patrolled the coasts and rivers, and some small British and American gunboats were permanently stationed on the Upper Yangtze, some 1,400 miles from the sea. Foreign soldiers still guarded the Legations at Peking, and the railway from Peking to Tientsin. The retention of so many of these Legations at Peking was in itself something of an affront to China, as the Nationalists had made Nanking - the old Southern capital - the capital in 1927, and Russia had been the only major Power to transfer her Legation there. Then - although China had regained her tariff autonomy - the senior posts in the Maritime Customs were still held by foreigners, mainly British, and much of the Customs revenue went to service China's foreign debts. Internal disorder and Japanese aggression prevented much greater progress being made towards complete abolition of the treaty port system in the inter war years.

There was no dramatic finale to the British presence on the Yangtze; but rather a progressive decrease in influence and strength from the early 1930s, due to the combination of Chinese nationalism and Japanese aggression. This decrease accelerated during the final four years after the outbreak of the Sino-Japanese War in 1937. How long British ships would have dominated the Yangtze trade had there been no Japanese war, is something for historians to decide ?

The treaty port system came to an end officially on 10 October 1943, one hundred and one years after the Treaty of Nanking, when Britain and the United States concluded new treaties with China. By these the Anglo-Americans surrendered their remaining concessions in China, their right to trade in Chinese waters, and all other privileges. This was a purely symbolic gesture, as Japan had already abolished all these things in the territory under her control. Communist policy immediately after the victory in 1949 seemed designed to reduce the importance of Shanghai, and reduce its role in the development of the country, and the decrease in overseas trade contributed to this. Very soon, however, they bowed to the inevitable, and acknowledged the overwhelming advantages of the city. They have developed it as a great manufacturing centre, and it now has a population of over eleven million.

One of the romances of modern British shipping enterprise is the conquest of the Upper Yangtze. Two men in particular were intimately connected with this, Archibald Little and Captain Cornell Plant. Little went through the Yangtze Gorges in a junk in 1883, taking twenty one days on the passage between Ichang and Chungking. Then in 1900 Captain Plant navigated Little's Pioneer to Chungking, the first commercial steamship to reach Chungking. Later he traded on the Upper River in his own junk, helped to form the first steamship company to operate regular services on the Upper River, and finished his career as River Inspector for the Chinese Maritime Customs. I hope I have given both men their due measure of recognition.

Summary of the Eight Regulations at Canton

1 No ships of war to enter the Canton River.

2 No arms to be brought into the factories by Europeans, and traders only allowed into Canton during the trading season between September and March, unaccompanied by wives or children.

3 All pilots, boatmen, and agents working for Europeans to be licensed.

4 Not more than a fixed number of servants to be employed by Europeans

5 Sedan chairs and boating for pleasure forbidden, also excursions to Canton. Three visits to the public gardens on Honan Island opposite the factories to be allowed per month, in parties not exceeding ten.

6 No smuggling and no credit allowed.

7 All business to be carried on through the Hong merchants, who will also receive all complaints and petitions for the authorities.

8 All foreign ships to anchor at Whampoa, twelve miles below Canton, where all loading and discharging must be carried out.

CHAPTER 1

The East India Company and early approaches to west China from Burma, formation of Irrawaddy Flotilla Company, and Anglo-French rivalry and attempts to reach west China from French Indo-China. Approximately 1826 - 1876

The prospect of developing trade between India and China by an overland route attracted the attention of the British shortly after they became established in India. There had always been trade between the two countries, and sea borne trade increased greatly after the East India Company opened its factory at Canton in 1699. Overland trade between Burma and China had also been known to exist from early historical times. After Britain became established in Lower Burma in 1826 through the Treaty of Yandabo which concluded the First Burma War, the British in both Burma and India began to favour a trade route to west China through Burma, rather than a more northerly route through Assam.

For the purpose of this study, west China consists principally of the provinces of Szechwan and Yunnan, with the northern part of Kweichow. Yunnan borders Burma on its west and Indo-China on its south; while Szechwan is on the eastern border of Yunnan with Tibet to its north west. Yunnan has an area of 168,400 square miles and Szechwan 219,700 square miles, so that the two provinces together are some three times the size of the United Kingdom.

In the eighteenth, and for most of the nineteenth century, very little was known in Europe about west China, and estimates of past and prospective trade were based on little concrete evidence. Marco Polo had travelled along much of the Burma - China caravan route at the end

of the thirteenth century, and after the Dutch East India Company had established factories at Ava and Syriam in the early seventeenth century, their reports on Burma - China trade corresponded very closely with his.[1]

This overland route between China and Burma was one of the three main trade routes which, from ancient times, had carried the coveted products of China to the outside world. The longest, and most famous, was the Silk Road across the Pamirs to the Mediterranean. Another went northwest from Peking across Siberia to Russia. The third, and that with which we are concerned, was the equally ancient route used by horses, mules, and ponies in place of the camels on the Inner Asian routes, which carried the silk and other products of Szechwan south and west on a switch back track over the rivers and mountains of Yunnan to Bhamo on the Irrawaddy, and on to Burma and India.

Almost five hundred years elapsed between Marco Polo's travels in west China and those of the next European, the French priest M.Huc in the 1840s; but this did not prevent Europeans in Burma and India from believing that it was an area of great agricultural and mineral wealth, and a potentially rich market for European goods. Burmese and Chinese records of Sino-Burmese contacts in past centuries had dealt mainly with diplomatic and military matters, rather than commercial. Where trade was mentioned, however, cotton was always listed as the main Burmese export to China, and silk - raw and wrought - as the main Chinese export to Burma.

In his mission to the Burmese court at Ava in 1827, John Crawfurd found ample evidence of the existence of this Sino-Burmese trade.[2] The Crawfurd Embassy was an imposing affair. Crawfurd, a

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1 These factories were closed in 1676

2 John Crawfurd, Journal of an Embassy to the Court of Ava in the Year 1827 (1931) 2 vols., vol. 2 p. 191-5

senior and very experienced officer in the East India Company, had been six months in Rangoon as British Civil Commissioner when the Governor General of India ordered him to head an embassy to the Burmese court at Ava to conclude a commercial treaty. He was accompanied by five other Europeans and a military escort of forty five soldiers, half British and half Indian. The party travelled in the Diana, a paddle steamer of 135 tons which was the first steamship to operate in Indian waters, and which had given good service in the First Burmese War of 1826, while most of the baggage and native servants were accommodated in five Burmese craft.

Crawfurd's main source of information on the China trade came from two traders of Chinese origin he met at Ava. The trade was almost entirely in Chinese hands, and the principal markets were Bhamo and a town some six miles north of Ava, where there were many Chinese merchants. It was a caravan trade, very similar to the Kiakhta trade between China and Russia on China's northern border. Caravans of several hundred small horses, mules, and donkeys arrived at Ava early in December after a six weeks' journey from Yunnan, having left Yunnan in October after the end of the rains. After a month or so in Burma the return journey was made well before the beginning of the next rains. After silk, the main Burmese imports were copper, brassware, tin, lead, tea, rhubarb, medicines, and clothing; while the main Burmese exports after cotton were birds' nests, ivory, rhinoceros and deers' horns, feathers, precious stones, and a small quantity of British woollen goods. Crawfurd estimated that the total imports and exports varied between £400,000 and £700,000 per year, of which cotton and silk accounted for about half.

Moulmein was capital of the British province of Tenasserim, and the British planned to make this town, at the mouth of the

Salween River, the western terminal of the caravan route from Yunnan. Rangoon was still in Burmese territory, and trade there was hampered by heavy anchorage and other dues, as well as by the exclusive policy of the Burmese government.

The first extensive journeys to investigate trade possibilities between Burma and west China were those of Dr David Richardson of the East India Company between 1829 and 1835.[3] Richardson's immediate objective was to encourage the import of buffaloes from the Shan States to Lower Burma, to supply food for the European troops, as this would be much cheaper than importing meat from India. Dr Richardson made three journeys between Moulmein and the Shan States, visiting Chiengmai on each occasion, and almost certainly being the first European to visit the city for two hundred years. During his journeys Richardson met Chinese traders who made annual expeditions from Yunnan to Chiengmai by mule caravan, and persuaded them to extend their journey to Moulmein. An initial venture was successful, but the physical difficulties of the road, and political tension between Shans, Burmese, and Siamese, prevented any great development of trade. He also described several of the Chinese trade caravans he saw which consisted of 200 and 300 horses and mules.

The Governor General was impressed by the reports of the China trade which he was receiving from his Commissioners in Lower Burma, and in 1836 he ordered Captain W.C. McLeod, then Junior Commissioner in Lower Burma, to investigate the overland route to Yunnan. McLeod followed in Richardson's footsteps for the first part of his journey, and as with Richardson, his instructions were not to become involved in the politics of the countries he passed through. His primary object was to be commercial. In addition to the physical difficulties

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3 Described in Dorothy Woodman's The Making of Modern Burma 1962 p. 103 - 7, 171.

of the road, McLeod suffered many delays because of political trouble between Siam and the Shan States; but eventually reached Kenghang on the Yunnan border. Here he was delayed by the local chief, who insisted that permission must be received from the Viceroy before he could enter Chinese territory. This permission was refused, the Viceroy saying that no historical precedent could be found for a British officer entering China by the overland route. British vessels went to Canton to trade, to which place McLeod should also go; but, however, Chinese traders were free to trade to Moulmein if they wished. If McLeod still persisted in coming, he added, it would be necessary to get the Emperor's permission. McLeod considered his mission partly successful. He had at least established friendly relations with many of the border chiefs; but had found the Siamese at Chiengmai antagonistic to trade through their territory.

A period of deteriorating Anglo-Burmese relations delayed further attempts to explore a trade route to Yunnan, and led finally to the Second Anglo-Burmese War of 1852. Lord Dalhousie was then Governor General of India, and his adherence to a 'forward policy' was a contributing factor leading to the war, although the King of Burma's excessive fine on the Bombay Burma Trading Company for exceeding its timber cutting operations was the actual causus belli. The war resulted in the annexation of the province of Pegu, which contained the port of Rangoon, and the decision to make Rangoon the western terminal of the Burma-China overland trade route. Rangoon was thirty miles up the Rangoon River, the most easterly branch of the Irrawaddy delta, and had much greater potentialities than Moulmein, at the mouth of the less important Salween.

After the war, the Panthay Rebellion in Yunnan, which lasted from 1855 to 1873, again postponed further moves. The Panthays were

Moslems of the Sunni sect, and for those eighteen years were in constant, and at times nearly successful, revolt against the Imperial government in Peking. After the Second China War of 1856 to 1860, however, there was another burst of enthusiasm for the Burma route, although the Panthay Rebellion was still raging. The British in Burma and India were sympathetic towards the rebels, believing that they would be more favourably disposed towards foreign trade than the Imperial government. In his instructions to Colonel Slade, leader of the Bhamo expedition of 1868, the Chief Commissioner of British Burma wrote that Slade was "to discover why trade by that route had ceased, discover the political situation occupied by the Karens, Shans, and Panthays, and endeavour to influence them towards the re-establishment of trade".[4] Any move towards recognition of the rebels, however, was directly opposed to official British policy as expressed by the British Legation at Peking, and illustrates an important and confusing aspect of Anglo-Chinese relations at this time, the fact that it was influenced and directed by so many different branches of government, between whom there was insufficient communication. The Foreign Office, Admiralty, India Office, War Office, General Officer Commanding at Hong Kong, and the Commander in Chief of the China Station were all involved; and adequate maps were in short supply.[5] This confusing situation continued into the early years of the twentieth century.

Anglo-French rivalry was also a factor. Since their defeat in Clive's time, the French had dreamt of reviving Dupleix's empire

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4 Ma Thaung, 'British Interests in Trans-Burma Trade Routes to China 1826 – 1876' (unpublished PhD thesis, London University 1954) p. 374

5 This aspect of British policy is discussed in L.K. Young's British Policy in China 1895 - 1902 (1970)

on the banks of the Irrawaddy, a dream destroyed for several decades by the French Revolution.[6] By the mid nineteenth century, however, the French were firmly established in Indo-China, and planning to extend their influence into Burma, west China, and Siam.

Suspicion of French aims was strengthened by the arrival of the French steamer Alom Phra at Rangoon in 1859. The Alom Phra had been sent out by a group of Bordeaux merchants to develop trade between Upper Burma and west China, and carried artisans and mechanics to serve under the King of Burma. As she was not designed to carry cargo, the British suspected that it was more than a purely commercial venture. The French planned to run a steamer service on the Irrawaddy, and were also involved in the Panthay Rebellion. French support for the Imperial forces in Yunnan included supplying them with arms and ammunition; while British support for the rebels was confined to vague expressions of sympathy. The British belief that, after receiving British assistance, the Panthays would ask for their country to become a British protectorate was borne out during the latter stages of the rebellion. In 1872 Sultan Suleiman, the Panthay Governor, sent his son to Britain to seek assistance, but only succeeded in getting a friendly reception. During his visit Talifu fell to the Imperial forces, and when Momein fell in May 1873 the rebellion was virtually at an end.

Various overland routes between Burma and Yunnan were suggested from time to time by different groups, but after investigation support usually came down on the side of the Irrawaddy route from Rangoon through Bhamo, which had been the most important in ancient times. Among other routes advocated from time to time - by the Salween, through Upper Assam, and across the isthmus of Kra - the one

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6 Michael Symes, Journal of his Second Embassy to the Court of Ava in 1802 (1955) p.xxxi

7 Ma Thaung, p.466

which attracted most publicity and support was the Sprye route. This was very vigorously advocated by Captain R.M. Sprye, an army surveyor, who had spent many years in India. Sprye first suggested this route in 1831; but after he retired to England through ill health in 1859, he was prompted by Lord Elgin's mission to China to campaign in earnest. He wanted an all land and all weather route from Rangoon by a single line railway north east to the Salween River, and along its right bank to cross the river at Takau Ferry, after which it would continue through the semi-independent Shan States to finish at Szemao, just inside the Yunnan border.[8] This route had been followed by Captain McLeod in 1836 - 37. It passed through thinly populated and malarial country, and also conflicted with Lord Dalhousie's plan to develop Rangoon and a route by the Irrawaddy. In spite of many obvious disadvantages, the Sprye route continued to be advocated for many years, and won support from several Chambers of Commerce in Britain. The Foreign Office and the Board of Trade, however, were unmoved by Sprye's supporters, although the India Office was more sympathetic.

At one time a route through Assam was proposed, and supported by - among others - the tea planters, who wanted to recruit Chinese labour from Yunnan. In its early years the Assam tea industry suffered from a serious labour shortage. Assam was thinly populated, and labourers imported from Bengal took a long time to get acclimatised. At this time Chinese labour was thought almost indispensable to development in the tropics; but eventually the Assam tea industry's problem was solved by obtaining labourers from the United Provinces and Nagpur.[9]

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8 Wellington T. Kam - hong Chan, 'British Enterprise in South western China 1855 - 1890' (unpublished thesis for B.Litt. Oxford University 1965), p.8

9 Ma Thaung, p.408

By the time the Anglo-Burmese Treaty of Commerce was concluded in 1862, official circles in Burma and India had come down firmly in favour of the Irrawaddy route from Rangoon to Yunnan, although there was still some uncertainty as to the best route from Bhamo into Yunnan.[10] The Bruce-Temple Mission of 1860 had recommended this route, and also advised the Indian government to transfer the Irrawaddy transport to a private company, which they believed would be better able to develop and expand trade.[11] The Irrawaddy-Bhamo route was, in effect, the ancient trade route. The treaty of 1862 guaranteed freedom of movement for traders of both countries, and allowed British traders to operate along the whole length of the Irrawaddy. With the Irrawaddy acknowledged as the main route to west China, steps were taken to establish a fleet of steamers on the river. The Convention of Peking which had concluded the Second China War, had opened the Lower Yangtze to British ships, and so Britain was now approaching west China from both east and west.

Irrawaddy transport at that time consisted of a fleet of steamers and flats which had originally belonged to the Bengal Marine, a branch of the East India Company's Indian Navy, which had given good service in the Second Anglo-Burmese War. It had been inherited by the Indian government when the Company transferred its possessions to the Crown in 1858. By 1863 the steamers were old; but still serviceable when they were offered for sale.

Several tenders were received, including one from a French company called the Burma Company, and two from British companies.

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10 Lord Dalhouse, Governor General, had always favoured Rangoon and the Irrawaddy in preference to Moulmein and the Salween, see D.G.E.Hall A History of South-East Asia (1960) p.534-5 and 538.

11 R. Temple and H. Bruce, Report upon the Income and Expenditure of British Burmah 1860; published by the House of Commons 1863.

The latter were Mackinnon and Mackenzie, managing agents of the Calcutta and Burma Steam Navigation Company (forerunner of the British India Steam Navigation Company) and Todd, Findlay and Company. The latter was a Glasgow company which carried on a considerable trade with Burma, and had branches in Moulmein and Rangoon. Their tender was accepted, and they formed the Irrawaddy Flotilla and Burmese Steam Navigation Company to implement their contract with the government to carry troops, mail, and general cargo on the river. The change of ownership took place on 1st May 1864, and for the first five years the government gave the company a subsidy of £150 per month to run a monthly service between Rangoon and Thayetmyo, then the most northerly port in British Burma.

The original three steamers were found very unsuitable and expensive to operate, and two new steamers were added in 1868, when the service was extended to Mandalay, and then later to Bhamo. Trade had increased, and the government now concluded a more generous contract with the company. This increased the subsidy to £100 per month per ship, and increased the service between Mandalay and Rangoon to three trips per month. By 1875 the fleet had increased to thirteen steamers and thirty nine flats, and the various services, which by then embraced the Salween and Chindwin Rivers, were incorporated as the Irrawaddy Flotilla Company.[12]

China trade enthusiasts were greatly encouraged by this, although with the Panthay Rebellion just over, they could expect no immediate development of the China trade between Burma and Yunnan. The rebels had been known to favour the re-opening of the old trade routes; but the attitude of the Imperial government was still an unknown factor. Burma, however, was in a tributary relationship

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12 Particulars of the Irrawaddy Flotilla Company are from Captain H.J. Chubb and G.L. Duckworth, The Irrawaddy Flotilla Company Limited 1865 - 1950, National Maritime Museum, 1973.

with China, and it illustrates the air of unreality surrounding the whole question of trade with west China, that the India government appeared unaware of this. Under the Chinese tributary system Burma sent a Tribute Mission to China every ten years by way of Yunnan, as did Laos, while states nearer China like Korea, sent missions every one, two, or three years.[13]

British policy in Burma was always strongly influenced by Anglo-French rivalry, which also affected policy with regard to Siam and Indo-China. In addition to the arrival of the Alom Phra at Rangoon in 1859, and the attempt to purchase the Irrawaddy Flotilla in 1864, general French policy in South-East Asia as a whole was inimical to British policy. In particular, French plans to develop a trade route to west China from Indo-China were opposed to the British plan to develop a trade route through Burma. The Lagrée-Garnier expedition confirmed British apprehension in this respect. This expedition succeeded in reaching the upper reaches of the Mekong from Saigon, and then going overland to I-pin (now called Suifu) on the Upper Yangtze, nearly 200 miles above Chungking, from where they travelled down the Yangtze to Shanghai. Lagrée and Garnier established the fact that the Mekong route was impracticable, and this resulted in French interest being transferred to an alternative route from Haiphong by the Red River.[14] This route was finally completed in 1910, when the narrow track railway from Haiphong succeeded in reaching Yunnan-fu (now called Kunming). In the event French threats to British commerce in South-East Asia and China proved largely unfounded, as French aims were more political than economic.[15]

13 J.K. Fairbank, E.O. Reischauer & A.M. Craig, East Asia: the Modern Transformation, (Tokyo) 1965 p. 72.

14. M. Osborne, River Roads to China (1975)

15. This is suggested by D.K. Fieldhouse, Economics and Empire (1973) p. 388 - 93.

Although the immediate effect of the formation of the Irrawaddy Flotilla Company on the China trade was disappointing, another attempt to explore an overland route from Bhamo into Yunnan was made in 1868. A major factor in this decision was that King Mindon was much less xenophobic than his predecessors, and more favourably disposed towards foreign trade. In spite of the fact that the Panthays were in the ascendant at this time, he supported the expedition to the extent of supplying transport from Mandalay to Bhamo, and approved of Major Sladen, British Political Agent at Mandalay, as leader. It is significant that the expedition was partly financed by the Rangoon Chamber of Commerce. The Sladen expedition, as it came to be known, was one of the most thorough until that time.[16] Sladen was accompanied by four other Europeans, a medical officer to investigate the natural history and geology of the area, an engineer to investigate the physical difficulties of the route, and two representatives of the Rangoon Chamber of Commerce. The latter were given £250 to purchase samples of goods to take to China and to bring back samples of Chinese goods. A guard of fifty Burmese soldiers was also provided.

The expedition left Mandalay on 13 January 1868 and arrived at Bhamo on 21 January. It travelled on the King's steamer, and this was the first steamer passage to Bhamo, and so proved the navigability of the Irrawaddy for the 285 miles between Mandalay and Bhamo. Here Sladen met the first of many difficulties. He already knew that the Chinese traders at Mandalay were opposed to the expedition because of fear of British competition, and he now found their compatriots at Bhamo to be even more antagonistic. He also found that the Burmese officers had made no preparations for the expedition's passage through the Kachin hills, and suspected them of being also against the project. As he knew the Panthays were favourably disposed

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16 Ma Thaung p.379-402

he sent a letter to them at Momein asking for assistance. Their prompt promise of assistance was effective in overcoming both Burmese and Chinese objections. After some six weeks delay at Bhamo, therefore, the expedition finally left for China on 26 February, the first part of the journey being alongside the Tapeng River, a tributary of the Irrawaddy. After overcoming many difficulties, including a near mutiny of their muleteers and guides, the expedition made its way through the hills, and was then met by messengers from the rebel Panthay Governor, and escorted for the last leg of their journey by Panthay soldiers. They were given a friendly reception at Momein, but Sladen learnt that the war between the Panthays and the Imperial troops was far from over. On the Governor's advice, therefore, he abandoned his plan to continue to Talifu, the Panthay capital, in case this caused diplomatic complications. He did, however, conclude agreements securing protection for traders from the hill tribesmen on the Bhamo route, and duties on goods using this route.

The delay at Bhamo forced Sladen to hasten his departure from Momein, so as to get back before the rainy season, and the expedition left on its return journey on 13 July. The Governor provided an escort to Mynelo, a Shan town on the border, and from there went by almost the same route as it had come, with a few minor diversions to cover as much of the country as possible, and arrived back at Bhamo on 5 September. On this occasion it had a friendly reception from the Burmese officials, who now realised that the King was favourably disposed. After eleven days in Bhamo the expedition finally returned to Mandalay on the King's steamers, arriving there on 20 September.

The Sladen expedition was considered a success in some circles. With convincing proof that the King and the Panthays were both anxious to revive the trade routes, it was believed that the chiefs of the

hill tribes would not dare to be obstructive, as they themselves would benefit from any trade passing through their territories. Sladen's had been the first British expedition to reach China from Burma, and the commercial members had gained valuable information and believed that British goods would find a ready sale in Yunnan. Dr Anderson had learnt something of the natural history and geology of the region, while the engineer thought that the route from Bhamo by the Tapeng River was not too difficult. He estimated that a road built from Bhamo to Momein "built on scientific principles for wheeled carriages of tramway or railway would only cost £90,000 for the 130 miles." As with so many other surveys and estimates, this was ridiculously optimistic. The Chief Commissioner of British Burma, however, was pleased with the results, and reported favourably to the Governor General.

Sladen's dealings with the Panthays, however, upset Anglo-Chinese relations, and Sir Rutherford Alcock, British Minister at Peking, strongly disapproved of any further moves, and his views were shared in Calcutta. Lord Lawrence, and his successor as Governor General, both viewed Sladen's exploits with disfavour, and were strongly opposed to further moves which might involve difficultiesa with either China or Burma.[17] The extravagant hopes of the Rangoon Chamber of Commerce were also damped, but only temporarily, by the disappointing reports of British trade at Bhamo consequent upon the establishment of regular services to the port.

It is unnecessary to describe all the different land routes between India, Burma, and China, which were proposed, and in some cases partly explored and surveyed, during the half century following the Treaty of Yandabo of 1826. Each had its own particular body of

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17 Hall, p.542

advocates, but some features were common to all. These included insufficient knowledge of the country to be traversed, gross under-estimation of the physical and political difficulties to be overcome, and gross over-estimation of the prospects of the China trade. The most outstanding examples of these defects concern the projects for railways from Burma into Yunnan, with prospective extensions into Szechwan.

One other expedition from the west, however, merits mention, as it illustrates the type of Briton involved. This was T.T. Cooper's attempt in 1869 to cross from the Brahmaputra into west China by way of Tibet.[18] Cooper was a British merchant resident in Burma, and in the previous year had attempted to improve on Blakiston's Yangtze expedition of 1861.[19] His aim was to explore the most direct route between India and China, other than the comparatively well known Bhamo route. He would ascend the Yangtze to its furthermost navigable point, and then attempt to reach Calcutta via Likiang in the north of Burma and Sadiya in Assam. Cooper was helped by the government of India, the British Legation in Peking, and commercial circles at both ends. He left Hankow on 4 January 1868, and travelled by native craft up the Yangtze to Chungking, where he had to divert from Blakiston's route because of the Panthay Rebellion. Hankow at this time was the starting point for many of the expeditions into west China, in some respects the St. Louis of the Orient.

Cooper left the river at Chungking, and travelled north to Chengtu, capital of Szechwan, where he was given passports by the Viceroy of Szechwan, authorising him to continue through Szechwan and Tibet to India. After leaving Chengtu, however, his troubles

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18 T.T. Cooper, Travels of a Pioneer of Commerce, 1871, and Through the Mishima Hills (1873)

19 See Chapter 2

commenced. He managed to reach Bathang, where the local Chinese authorities told him that the lamas were determined to prevent him from entering Tibet. His revised plan then was to go from Bathang to Sadiya, which he had learnt was only 200 miles away; but this plan was also opposed by the Chinese. He next decided to go south and enter Burma from Yunnan; but when he reached the Yunnan border he was advised by the officer in charge to return as he had come. Cooper ignored this, and on arrival at the next town was mobbed, and the mandarin's supposed refuge turned out to be a prison, in which an attempt was made on his life. He was released after five weeks, and returned to Bathang and then Hankow, which he reached on 11 November, after just over ten months' absence. Although Cooper had failed to reach either Burma or India, his journey encouraged the British in China in their efforts to exploit the inland markets of west China, and the Shanghai Chamber of Commerce petitioned the British Minister at Peking to make Bathang a treaty port. The British government granted Cooper £250 towards his expenses, and thanked him for obtaining useful information about some almost unknown parts of west China.

Cooper had an even more encouraging reception after he returned to Calcutta. He was received by the Governor General to whom he described his proposed route between India and China. It was, however, the Calcutta Chamber of Commerce which financed and supported his next journey, and not the government, and the enthusiasm this aroused in commercial circles is illustrated by the fact that their appeal for funds was over subscribed.[20]

In spite of the objections of the British Minister at Peking, Cooper was still determined to find a way through Tibet, and his

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20 Ma Thaung p.20

journey
second was almost a replica of the first in reverse. He was provided with a passport from the British Legation at Peking which gave him permission to enter China from India, but also a copy of a Tibetan petition to the Chinese government asking it to discourage Cooper from attempting to enter Tibet, to which the Indian government was also opposed. Cooper allayed their fears by promising not to force his way into Tibet, although he knew from previous experience that he would never be able to pass through Tibet without a strong military guard. His plans, in effect, meant ignoring all warnings whatever their source, as he was determined to be the first Briton to complete the overland journey from Calcutta to Shanghai.

Cooper left Calcutta on 9 May 1869 by river steamer, and travelled up the Brahmaputra to Sadiya. After completing his preparations here he continued for a few days further by the river, and then branched overland across the Mishima Hills, difficult country where food was in short supply, and eventually reached a village a few days' journey from the first Tibetan post. Here his porters were intimidated by the Tibetans from helping him any further, and here he caught fever. The final result was that he returned to Sadiya and then to Calcutta, disappointed and disillusioned. At last he realised that to overcome Tibetan hostility and Chinese jealousy, future attempts would require much stronger government support. The Indian government, however, resisted further pleas from the Calcutta Chamber of Commerce to develop any land route to China, and also from the home government, which was also being bombarded with petitions from Chambers of Commerce in Britain to do likewise.

In spite of so much official discouragement, the various parties

interested in the China trade persevered and gained strength, and in 1873 the British and Indian governments were persuaded to make yet another attempt to explore a land route to west China. The time appeared unusually propitious. The Imperial soldiers had at last defeated the Panthay rebels, and the government was anxious to revive trade with Burma. Momein, the last Panthay stronghold (now called Tengyueh) fell to the Imperial troops in May 1873, and within a year the British political agent at Bhamo reported that he had been informed by the Kachin chiefs that more caravans were crossing the border than at any time within twenty years. Mindon was King of Burma, and willing to co-operate with the British in India and Burma, and had recently received word from Peking that the Chinese would like to resume "the old relationship and continue the practice of exchanging decennial missions." In November 1874, therefore, a Burmese Embassy with presents for the Emperor left Mandalay for Peking, via Bhamo and Yunnan.[21]

At this time there was also a revival of the French threat to divert this potential trade to Indo-China by the Red River route. Shortly after the fall of Momein, Count de Rochechouat, First Secretary to the Chinese Legation at Peking, visited Burma on his way back to Peking to exchange ratifications of the Commercial Convention between Burma and France concluded in Paris in 1873. The Count was accompanied by two army captains who stayed behind to explore the Burmese Shan States, and then to continue via Kenghung to Laos and finally Tongking. This rekindled the always latent suspicion of French plans to divert the west China trade to the Red River, which would be a serious blow to the British plans to use the Bhamo - Irrawaddy route.

All these factors increased enthusiasm for developing the

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21 Ma Thaung p. 485

China trade among British Chambers of Commerce in Britain, Burma, and India, and influenced the British and Indian governments in their decision to make yet another attempt to develop the overland trade route between Burma and Yunnan. An additional favourable factor was that now, with the improved political situation on both sides of the border, the Chinese traders in Burma were anxious to revive the trade. Already its recovery after the defeat of the Panthays had affected traffic on the Irrawaddy, and the Irrawaddy Flotilla Company had increased their services to cope with this. By October 1874 there was a regular fortnightly service between Mandalay and Bhamo. The trade was essentially as in earlier times, the main staples being raw cotton from Burma, and silk and tea from Yunnan.

In October 1874 Lord Salisbury, Secretary of State for India at the time, agreed to the establishment of a British Consul at Talifu, and to an expedition to resume the survey of the land route to the Yunnan border and on to Talifu. He also decided to ask for co-operation from the Chinese government. As a result of these decisions in London, the Governor General of India authorised a mission to Yunnan in November 1874, and requested the British Minister at Peking to obtain passports for the members of the mission to enter China from Burma. A British Consular official would travel up the Yangtze and then overland to join the Burma party at Bhamo, and then would act as interpreter for the mission after it crossed into China. After entering Yunnan the mission planned to continue to Szechwan, and then either return as they had come, or go down the Yangtze to Shanghai. The outcome of all this was the Dual Mission of 1874-75.

Colonel Horace Browne, previously Deputy Commissioner for Thayetmao, was chosen as leader of the mission from Burma, with Dr Anderson of the Sladen expedition and Mr Ney Elias, a surveyor, as

assistants; while Captain C.B. Cooke went ahead to establish friendly relations with the chiefs along the proposed route. A.R. Margary of the British China Consular Service was chosen by Sir Thomas Wade, British Minister at Peking, to travel across China and meet the expedition near the Burma-Yunnan border.

Mr Elias left Mandalay by steamer from Bhamo on 30 November 1874, and after making arrangements for bullocks, porters, and supplies, returned to Mandalay on 21 December, two days after the arrival of Browne and Anderson. Browne brought fifteen Sikh soldiers whom he had recruited when passing through India. The main expedition then left Mandalay by an Irrawaddy Flotilla steamer and arrived at Bhamo two days later on 15 January 1875, being joined there by Margary two days later.

Margary had left Shanghai on 22 August and had had a comparatively uneventful journey, although uncomfortable at times. He had travelled up to Hankow on the American river steamer Hirado, then by mandarin boat to Yochow, and then across the Tungting Lake and by the Yuan River to the border of Kweichow.[22] From Kweichow he completed his journey by chair. All across Yunnan Margary saw widespread evidence of the destruction caused by the Panthay Rebellion; but also of the mineral wealth of the province. It was the former, however, which impressed him most. Like so many earlier and later travellers, Margary thought it would be comparatively easy to construct a road between Yunnan - fu and Bhamo, which would enable British goods, mainly Manchester piece goods and Indian cotton yarn, to reach the west China market at less cost than by the long ocean voyage to Shanghai and then the long passage up the Yangtze and overland.

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22 A mandarin boat is a long narrow junk divided into five or six compartments.

Margary was the first Briton to complete the overland journey between China and Burma, and his arrival at Bhamo greatly impressed the Burmese and Chinese merchants. It was a great fillip to British prestige among the Burmese, who had never realised that there were British officials in China.[23]

The combined party left Bhamo on 23 January for Sawaddy, with a Burmese escort of 150 men in addition to the Sikhs. At Sawaddy, because of trouble with the Kachins over payment for the transport bullocks, pilferage, and other matters, Browne decided to continue by the Ponlyne instead of by the Sawaddy route, in the hope that the Kachins there would be more amenable to Burmese control. In the event the Ponlyne Kachins were found to be just as intractable as those at Sawaddy. While on this part of the route rumours reached the expedition that Chinese and Shan rebels were planning to ambush it as soon as it entered Chinese territory, and Margary went on ahead to reconnoitre. He left the main party on 19 February with five Chinese companions, and next day Browne received word that all was well, and so the main party continued. Then two days later word came back of Margary's murder at Manwyne, just inside Chinese territory, that a force of 4,000 was waiting to ambush the whole expedition, and that 800 of them were then on their way to attack the camp. While digesting this news the camp was attacked; but the Burmese and Sikhs fought well, and the attack was beaten off. The next day confirmation of Margary's murder and that of his companions came from the King of Burma's commercial agent at Manwyne, and Browne decided to abandon the expedition, which returned by way of Bhamo to Mandalay.

This was the last major expedition to develop a land route from

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23 Margary's journey is described in The Journey of A.R. Margary, by Sir Rutherford Alcock (1876)

Burma into west China. Anglo-Burmese relations deteriorated under King Mindon's successor, Thibaw, and the Third Anglo-Burmese War of 1885-6 which led to the annexation of Upper Burma, was succeeded by a decade and more of disturbances and revolt against British rule by disbanded Burmese soldiers acting as dacoits. When a measure of stability was at length achieved, the attractions of a land route from Burma into west China had diminished, and British attention was focussed on the Upper Yangtze.

In his Economics and Empire, D.K. Fieldhouse suggests that British expansion on India's North-west frontier was strategically motivated, and that economic factors played virtually no part.[24] On the north east, that is Burma, however, "An apparently strong a priori case can be made out for the primacy of economic factors in British attitudes to Upper Burma".[25] A consideration of despatches between the British and Indian governments and the British Legation at Peking lends considerable support to the latter theory. All the expeditions to explore and develop a land route between Burma and west China enlisted varying degrees of official support, but this was because of pressure from commercial interests in Britain, Burma and India. Official circles in all three countries, and British Consular and Diplomatic circles in China, were at best lukewarm to the idea. Clearly, and especially so for the Dual Mission of 1874-5, it was the British government, acting through its Secretary of State for India, and under strong pressure from Chambers of Commerce in Britain, Burma, and India, which provided the initiative.

Paradoxically, the failure of the Dual Mission led to further progress on the Yangtze. Sir Thomas Wade regarded the murder of

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24 D.K. Fieldhouse, Economics and Empire (1973) p.174-5

25 Fieldhouse, p.385

Margary as unpardonable, as Margary had had a Chinese passport and had been murdered in Chinese territory. At this time negotiations were in progress between Britain and China over trade and ministerial intercourse, and Wade seized on the Margary affair as an opportunity to demand further concessions and reforms. These included an indemnity of 150,000 taels (approximately £50,000) to the families of the murdered men, and a demand that China send a mission to Yunnan, on which there would be British representation, to investigate the murder. China considered these demands extreme; but after protracted negotiations it was agreed that a joint Anglo-Chinese investigation would be carried out, and that permission would be granted for another mission from Burma into west China if this was desired.

The British side of the joint mission was led by T.G. Grosvenor, Secretary of the British Legation at Peking, and the other members were E.C. Baber and A. Davenport of the China Consular Service.[27] The mission went up the Yangtze to Hankow, and after some delay there, caused by dissatisfaction over the manner in which the Chinese were carrying out their part of the investigation, continued up river through Ichang to Chungking, and then overland to Momein by way of Yunnan-fu and Talifu. At Manwyne, the scene of the murder, they were met by a military escort sent by the Indian government. This accompanied them to Bhamo and Rangoon, from where they returned to Shanghai by sea.

Grosvenor's report to Wade complained of the Chinese conduct of the investigation, and this caused Wade to increase his demands for a settlement of the affair. The final negotiations took place at Chefoo between Wade and Li Hung-chang, Governor General of Chihli,

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27 BPP 1877 (105) LXXXIV B.

with a British naval squadron in the background. The affair had now become of international importance, as the other Western Powers realised that Britain intended to use this opportunity to demand trade and other concessions from China, which would inevitably affect all Western Powers.

The Chefoo Agreement was signed on 13 September 1876, and embodied diplomatic as well as commercial clauses. In the former China agreed to establish legations in Europe, America, and Japan, and to observe in her territories the same code of conduct which other countries observed towards her. On the commercial side, several more ports became treaty ports or ports of call, Ichang at the upper end of the Middle Yangtze becoming one of the former.[28] The 350 miles of the Middle Yangtze between Hankow and Ichang were opened to foreign shipping, and China agreed to a British Consular officer being stationed at Chungking. E.C. Baber, a member of the Grosvenor Mission, was sent to Chungking as British Consular Agent in 1877.[29] China also agreed to pay an increased indemnity of Tls.200,000 (approximately £66,000) to the families of Margary and his companions. There were other concessions concerning likin, trade regulations between Burma and China, and permission to send another mission into Western China from Burma. Thus, although the Dual Mission had failed in its principal objective, subsequent events led to the realisation of some of the Mission's aims. The Grosvenor Mission had obtained valuable information about west China, and confirmed that Szechwan and Yunnan were both rich in natural resources.

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28 A 'port of call' was a port where passengers and cargo could be landed and loaded, but where foreigners had no residential rights.

29 Author of Travels in Western China (1881); he was later Political Agent at Bhamo where he died in 1890.

The many political and physical difficulties which beset an all season road or railway from Burma into Yunnan were not lessened by the fact that the several official British departments of government, and the several unofficial interests concerned, lacked a clear cut policy. The views of the Foreign Office, the Indian government, and the British Legation at Peking were often at variance, as were those of commercial circles in Britain, Burma, India, and China. There were also the vastly exaggerated estimates of the potential trade between Burma and Yunnan. This 'Yunnan Myth' would not be completely destroyed for another few decades. Then the majority of British merchants in China, especially those in Shanghai and on the Yangtze, looked on the Upper Yangtze as the natural route into west China, and were more concerned with Szechwan than with Yunnan. A minority of British merchants in Hong Kong and Canton also favoured a route by the West River. While the Burma and India enthusiasts were debating over the best overland route into Yunnan, steady - if unspectacular - progress was being made up the Yangtze.

CHAPTER 2

Opening of the Yangtze to foreign ships, and establishment of the first treaty ports on the river. Naval and other expeditions to and beyond Hankow. Anglo-American and Anglo-Chinese steamship rivalry on the Yangtze, and growing predominance of British shipping. Approximately 1860 - 1876.

Marco Polo may not have been the first European to see the Yangtze, but he was the first to appreciate its importance, and bring it to the notice of the Western World.[1] Marco Polo's travels were first published in Italy in 1299, and in England, France, and Germany in the following fifty years; but Sir Henry Yule's revised edition of 1871 is generally regarded as the most authoritative English edition. It was probably the missions to China in 1793 and 1816 of Lord Macartney and Lord Amherst respectively, which made Britain realise the importance of the Yangtze. In a sense these were as much exploratory, as commercial and diplomatic. In the thirteenth century Shanghai had been too unimportant to attract attention from Marco Polo; but by the time British ships were established in the China trade, it had become a port of considerable importance. British ships attempted to trade there on several occasions before it became a treaty port in 1842; but the Chinese had always refused to trade, insisting on obeying the Emperor's edict which confined all foreign trade to Canton. These early British visitors had been employees of the East India Company, and had been impressed by the

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1. G.F. Hudson, Europe and China (1931). The visit of a 'Roman' merchant to Nanking about 230 A.D. is mentioned in this book, p.90.

number of trading junks they saw in the harbour.[2] More information about Shanghai was obtained during the First China War, when British forces not only captured the city, but also went a further 182 miles up the Yangtze to Nanking. The knowledge gained on all these visits led to Shanghai becoming one of the first ports to be opened to foreign trade after the war.

The British merchants established at Shanghai after 1842 soon realised that a great part of Shanghai's trade was with the Yangtze, and it became their objective to get a foothold in the Yangtze trade. One of the main aims of the Second China War of 1856 - 60, therefore, was to open the Yangtze to foreign trade, and this was accomplished by 1861. In spite of the Taiping Rebellion, and the fact that the rebels controlled much of the Lower Yangtze, there was an immediate expansion of Shanghai's trade.

The Yangtze was not the scene of any active operations in the Second China War; but in 1858, in the interval between the two phases of the war and after the Treaty of Tientsin had been signed, a small naval force accompanied Lord Elgin on an expedition to Hankow, nearly six hundred miles above Shanghai. This consisted of three small gunboats, Cruiser, Dove, and Lee, and the frigates Furious, and Retribution. This was the first time Hankow had been visited by foreign ships, and on the way Lord Elgin made several excursions ashore. The Taipings had their capital at Nanking, and controlled much of the river above and below Nanking; but Lord Elgin thought the people had no sympathy with the rebels, and

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2. G. Gutzlaff, Three Voyages Along the China Coast (1834) p.282. Here H. Lindsay of the East India Company's Lord Amherst estimated that 400 junks entered Shanghai weekly during July, which would make it one of the world's busiest ports.

welcomed the prospect of foreign trade. He found many foreign goods at Hankow, cotton and woollen goods in particular, which had reached the city by means of native merchants. He thought, however, that British manufacturers would have to exert themselves to supplant native goods, which in many cases were more suitable for local tastes and purses.[3] This question of the suitability of imported, compared with local goods, was to crop up time and again in the treaty port era. James Matheson, co-founder of Jardine, Matheson, and Company, frankly admitted that Chinese nankeens were superior to Manchester goods, and Sir Robert Hart, for so long Inspector General of the Maritime Customs was also convinced of this. Writing to the Foreign Office in December 1861, Lieutenant-Colonel Neale, Secretary of the British Legation at Peking, put the matter thus: "It is admitted by all best acquainted with this country that 90% of the Chinese require cotton cloths containing three times the quantity of cotton that is put into what is imported from Great Britain, and that we are unable to make cloths similar to what is made by them at anything approaching the same price as their own, which is simply the price of the material, for the labour employed is spare labour."[4]

Until early in the nineteenth century China and India were the manufacturing centres for the eastern world, and Chinese silk, textiles, and chinaware, and Indian textiles were in demand all over this area. When the Dutch arrived in the Far East, the Netherlands was the most highly industrialised part of Europe, yet the Dutch could not compete on equal terms with the Chinese or Indians in

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3. L.O. Oliphant, Narrative of the Earl of Elgin's Mission to China and Japan (1862)

4. BPP 1863 (3144) LXXIII p.36

these staples. It was the same with the British. By the early nineteenth century, however, the highly mechanised mills of Lancashire and Yorkshire could undersell Far Eastern products with goods of inferior quality, often with the unscrupulous assistance of military and political power. It was a form of Gresham's Law, in which "the inferior goods drove out the superior."

In 1861, three years after the Elgin expedition, another naval expedition went up the Yangtze to establish British Consuls at the three newly opened treaty ports, Chinkiang, Kiukiang, and Hankow. This expedition was commanded by Vice-Admiral Sir James Hope, and consisted of eight small warships of which one - H.M.S. Couper - was a survey ship. The expedition was accompanied by a private exploring party under Captain T.W. Blakiston of the Royal Engineers, who was accompanied by two other Englishmen. Blakiston's intention was to travel up the Yangtze as far as possible, and then travel overland through Tibet into North West India. Consul Parkes (later Sir Harry Parkes) accompanied the naval expedition to conduct negotiations with the Chinese, and there was a Protestant missionary, the Reverend W. Muirhead, and several members of the Shanghai Chamber of Commerce.

The expedition left Shanghai on 11 February 1861, with Sir James flying his flag in H.M.S. Coromandel, and Blakiston's party in H.M.S. Attalante. After the first hundred miles the effects of the Taiping Rebellion were apparent everywhere. Chinkiang, the first of the new treaty ports, was found in ruins, and the country for miles around devastated. H.M.S. Bouncer was left behind here to act as guard ship for the new consulate. Nanking, the Taiping capital, was then passed without incident, and the squadron continued past Wuhu, also in ruins and in possession of the rebels. Kiukiang, the second of the new ports, was reached on 7 March, and here another

consul with a guard ship was left behind. Kiukiang had recently been captured from the rebels, but had not yet recovered from the effects of their occupation.

Hankow, where the remainder of the squadron arrived on 11 March was - in contrast to the other cities - found to be lively and bustling, and rapidly recovering from its period under Taiping occupation. European goods were comparatively plentiful, and the members of the Shanghai Chamber of Commerce were favourably impressed by the large number of trading junks berthed along the Han and Yangtze Rivers. Situated at the junction of these two rivers, Hankow was the great trading mart of central China. Sir James Hope and Consul Parkes paid a courtesy call on the Viceroy, and informed him of Captain Blakiston's proposed expedition. The Viceroy promised his help, and countersigned the passports which the Blakiston party had obtained from the British Consul in Shanghai.

While the squadron was at Hankow the river paddle steamer Yangtze arrived, the first foreign merchant ship to visit Hankow. She belonged to the British firm of Dent and Company; but at this time was under charter to the American firm of Russell and Company, and so flew the Stars and Stripes. Almost exactly one year later the British iron screw steamer Scotland was the first ocean going merchant steamer to visit Hankow. The Scotland belonged to the British firm of Lindsay and Company and flew the Union Jack, although under the agency of Russell and Company.

The two smallest ships of the squadron and Blakiston's party continued for another 153 miles past Hankow to Yochow, at the entrance to the Tungting Lake. Then they turned back while the Blakiston party continued up river in native craft, being probably the first Europeans to go through the Yangtze Gorges. At this time

there were three major civil wars raging in central and west China. There was the Panthay Rebellion in Yunnan, the Tu-fe Rebellion in western Szechwan, and the Taiping Rebellion on the Lower Yangtze. The Blakiston expedition, however, managed, to reach Pingshan, 240 miles above Chungking, and 1,650 miles from the mouth of the river, where disturbed conditions further up the river forced them to turn back. In the circumstances, this was a considerable achievement. Captain Blakison was able to take scientific observations on his journey, and his comments on commerce and trade - brief as they were - confirmed the importance of Chungking and Szechwan. As with earlier travellers, he noticed that Szechwan received most of its foreign goods from Canton via the Tungting Lake, which route would be superceded if steam navigation could be developed on the Middle and Upper Yangtze.[5]

On its return to Shanghai after Blakiston's departure, the Hope naval expedition stopped at Nanking for several days, while Sir James and Parkes conferred with the Taiping leaders on matters concerning foreign trade, and received an assurance from them that they would not interfere with British ships. This illustrates Western ambiguity towards the Rebellion. In its early stages it seems to have been regarded with some sympathy, and looked on as a reforming movement, with Christian affiliations. Many foreigners welcomed the prospect of a change from the corrupt and reactionary Manchu régime, and the British, American, and French governments at first adopted a policy of neutrality. Later on, however, there was a distinct change, not entirely due to the excesses committed by the rebels. Commercial considerations certainly played some part. The Treaty of Tientsin had legalised the opium trade, but the Taipings

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5 T.W. Blakiston, Five Months on the Yangtze (1862)

were opposed to both opium and alcohol, and had banned this in the territory under their control. They had also made it clear that under their rule foreign trade would not be permitted in the one sided manner so favourable to the foreign merchants. Because of these, and probably other factors, the Western Powers abandoned their policy of neutrality. The Taipings were branded as fire-brands and extremists, and the Manchu government as a peaceful and stabilising element, and steps taken to assist it. These included allowing foreign steamers to transport government troops and supplying officers to train and lead them.[6]

In 1862 the first cargo of tea was loaded at Hankow on the British clipper Challenger, which had been towed up the river by Lindsay and Company's steamer Firecracker. This tow cost £1,000, but even with the cost of towing it was still cheaper to send tea from Hankow than from Canton. One of the most important tea growing areas was around the Tungting Lake and Yochow, and transport between this area and Canton involved expensive porterage over the Meiling Pass to the Pei River, which joined Canton's West River. Hankow, on the other hand, had good water communications all the way from this area. Vested interests, however, controlled the Canton trade, and it was some time after the opening of the treaty ports that these were overcome, and the tea exported from its natural outlets at Foochow and Hankow.

In his report for 1864 from Shanghai, the British Consul said that there had been a ten fold increase in the trade of the port since 1859, which he attributed to "the large and increasing trade from the ports recently opened on the Yangtze". He estimated that

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6 General (Chinese) Gordon was the most famous of these officers.

of a total of thirty million taels of foreign imports into Shanghai in 1864, twenty six million taels were re-exported to the interior by these ports".[7]

As trade developed on the Lower Yangtze, the commercial possibilities of the Upper Yangtze and west China began to assume greater importance, and the efforts of British merchants to extend their trade here were stimulated by fears that the French might forestall them by a route from Indo-China. In 1868 the Lagrée - Garnier expedition had come down the Yangtze after its journey up the Mekong from Saigon and overland to Ipin (now Suifu) 150 miles above Chungking.

In 1869, therefore, Sir Rutherford Alcock, British Minister at Peking, decided to send a combined naval and commercial expedition up the Yangtze beyond Hankow and to the Poyang Lake. The naval squadron was to be commanded by Vice-Admiral Sir Henry Keppel, and Robert Swinhoe, British Consul at Amoy, was chosen to accompany the expedition as far up river as it went. He would then continue by native craft to Chungking to investigate the possibilities of trade in Szechwan and west China. When the Shanghai Chamber of Commerce heard of this expedition, they suggested to Vice-Admiral Keppel that some of their members should accompany it. Keppel agreed to this, and also to survey as much as possible of the Upper Yangtze, and see how far it was navigable for steamers. A.Michie of Shanghai, and R. Francis of Kiukiang, were the chosen representatives of the Chamber of Commerce; Jardine, Matheson and Company put their little steamer Faust at Admiral Keppel's disposal; the Chamber of Commerce agreed to pay for her preparatory overhaul; and the Shanghai Steam Navigation Company

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7 BPP 1866 (3587) LXX. p.54.

agreed to tow her up to Kiukiang. It was thought that the Faust would be suitable for taking a survey party round the Poyang Lake; but this project was dropped because her repairs were not completed in time. The Chamber of Commerce, however, was more interested in the Tungting Lake, and in finding a route across its shallow waters to Changsha, the capital of Hunan. They also wanted a survey of the Han River above Hankow. But - their main interest was in the suitability of the Upper Yangtze for steam navigation.

The naval squadron consisted of the cruiser Salamis and the gunboat Opossum, and Keppel's plan was to go up river as far as possible with both ships, and when it became too shallow for the Salamis, to continue as far as possible with the Opossum. The expedition left Shanghai on 23 March 1869, with Faust in tow of Salamis, but the latter's draught prevented her from going more than a few miles beyond Yochow, that is about 160 miles above Hankow. Opossum then continued on her own, accompanied by Faust, now under her own power, and they arrived at Ichang on 9 April. They had stopped for two days at Shasi, a busy port about sixty miles below Ichang, which many considered a more suitable place for a treaty port than Ichang.

These were the first steamships to reach Ichang, and the Chinese pilot refused to take the Opossum any further. The smaller Faust, however, was taken seven miles past Ichang and through the Ichang Gorge, the first of the gorges on the Upper Yangtze. The pilot again refused to go beyond this and attempt the first rapid, and so Faust returned to Ichang, having been the first European vessel of any kind to enter a Yangtze gorge.

Native boats were hired to take the members of the expedition on to Chungking, and the party left Ichang on 15 April. It consisted

of eight Europeans, Lieutenant and Commander Stokes of the Opposum and two sailors, Messrs Dawson and Palmer naval surveyors, Consul Swinhoe, and Messrs Michie and Francis of the Shanghai Chamber of Commerce. These were all accommodated in a passenger boat called a 'Kwatsze', which carried a crew of forty five, and there was also a small sampan to carry the trackers needed to pull the kwatsze up the rapids.

By the time Kweifoo, 140 miles above Ichang, was reached, the surveyors had reached the conclusion that the Upper Yangtze was unnavigable for steamships, and that it would not be worth while for them to continue any further. They thought their time could be better employed surveying parts of the river below Ichang. The five naval members, therefore, returned to Ichang, while the others - for whom the trade of west China was the main object for investigation - continued up river. At Kweifoo they met the six year tribute mission from Tibet on its way to Peking, and the Chinese interpreter to the mission told Swinhoe that T.T. Cooper had stayed with him the previous year on his journey from Chungking to Tibet.[8] The party arrived at Wanhsien, half way between Ichang and Chungking, on 30 April, and at Chungking on 12 May.

They stayed at Chungking for a week, and were accommodated in a large empty hong. They found the people curious; but not unfriendly, and were able to move freely about the city. They were visited by a French Roman Catholic priest, and when they returned his visit met the Bishop of Kweifoo and two other French missionaries from Yunnan. Michie and Francis had brought samples of trade goods with them which they showed to local merchants, while Swinhoe visited local officials and discussed the prospects of trade with

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8 Cooper's journey is described in Chapter 1.

them. On 19 May they moved a few miles down river from the city, and spent another day exploring the countryside and studying the crops. The winter crop of opium had been harvested by this time; but they found cotton, rice, tobacco, maize, and millet in abundance, confirming the reports of Szechwan's agricultural wealth. They found the country people friendlier than those in the city, and were greeted everywhere with smiles.

The expedition left on its return journey on 21 May, and the down river passage was very fast compared with up river. Kweifoo was reached on 25 May and Ichang on 27 May, where they found the other members of the party on the Opossum, which was anchored two miles below the city.

The result of this expedition convinced the Shanghai British merchants of the potentialities of trade on the Upper Yangtze and in Szechwan. Unfortunately, the surveyors' report on the navigability of the river above Ichang was discouraging. They considered that steam navigation above Ichang was impossible, because of the strength of the current, lack of suitable anchorages, the intricacy and uncertain course of the channel, and other difficulties. They also thought that descent would be even more difficult than ascent. The chief engineer of the Opossum, however, gave a qualified favourable opinion on the samples of coal obtained 200 miles above Ichang. This resembled good anthracite in appearance; but he thought it would require large furnaces for efficient combustion. Excellent coal, however, was reported to be available around the Poyang Lake; but not near navigable water.

The problem of fuel supplies for steamers above Shanghai was difficult then and for some years afterwards. Between 1865 and 1870 Shanghai imported some 125,000 tons of coal annually, from Britain, Australia, Japan, and Formosa. During this period there

was a steady fall in imports from Britain and Australia in favour of increased imports from Japan and Formosa.[9] Although plentiful deposits of coal existed at many places in the Yangtze valley, mining practices were primitive, and the cost of transport if the coal was any distance from the main river or a navigable tributary was prohibitive.

The Chamber of Commerce thought that if the rapids and gorges above Ichang were insuperable obstacles to the steamers of that time, Ichang or Shasi should be made a transhipment port for cargoes going to, or coming from Chungking, and that whichever port was chosen should be made a treaty port.

Robert Swinhoe published an unofficial report of this expedition, in addition to his official report.[10] This described the widespread water communications of Hankow by the Han and Hsiang River system, as well as by the Yangtze, and listed the Szechwan goods which reached Hankow as including tea, silk, vegetable oils, hemp, hides, and opium, which had been assembled at Chungking by the Upper Yangtze, Kialing, and Min Rivers.

This expedition of 1869 was much more important commercially, and also with regard to navigational problems, than any previous expedition. Captain Blakiston had thought that ocean steamers could reach Ichang, and although he was over optimistic in this, the Shanghai Chamber of Commerce thought that at least a special class of river steamer could be designed to reach Ichang. At Ichang import and export cargoes could be transhipped to or from junks for the passage to or from Chungking. It was acknowledged that Ichang itself was only a transhipment port, being in a poor

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9 British Consul's Report from Shanghai BPP 1871 (c.567) LIX p.6

10 R. Swinhoe 'Special Mission up the Yangtze - Kaing', Journal of the Royal Geographical Society, Vol. XL 1870, p. 268 - 285.

and sparsely populated region, and that Shasi, some sixty miles down river was more important as a trade centre in its own right.

The interest of the Shanghai merchants was also increased by other expeditions into west China about this time, especially those of Baron von Richtofen between 1870 and 1872. The Chamber of Commerce considered his investigation of trade routes was of such value that they contributed substantially to his expenses. Von Richtofen travelled extensively through west China, and his reports to the Chamber of Commerce are still considered valuable. He was the first European to give an acurate description of the legendary Red Basin of Chengtu, the only really large area of flat land in Szechwan. This is the bed of an ancient lake, and is some 3,500 square miles in area. Its remarkable fertility is due to the system of irrigation introduced by Li Ping in the third century B.C. Li cut through a hill, led the Min River through, and by means of an elaborate network of canals distributed its water over the area. Chengtu itself, the capital of Szechwan, was also something of a legend, and early European travellers compared it more than favourably with Chungking and Yunnan-fu. Unfortunately, most of von Richtofen's writings, except for his letters to the Shanghai Chamber of Commerce, are only available in German.

In 1861 the United States Navy made its first voyage up the Yangtze. The cruiser Hartford drawing fifteen feet went up as far as Nanking, while the two smaller ships in the squadron continued to Yochow and a few miles into the Tungting Lake. The Civil War then caused the almost complete disappearance of American naval ships from China, and in a report to the Secretary of State in 1866, Commodore Bell wrote that Britain had forty five warships on the China Station, of which twenty nine were gunboats, while the United States had only five. Five years later when the U.S.S. Beneficia

made a trip to Hankow, she found a British gunboat at every treaty port, and also found that only British gunboats were stationed above Shanghai.[11]

In spite of this almost complete absence of American warships on the Yangtze, for the first fifteen years of foreign trade there an American company had almost a monopoly of the steamship trade on the river. This emphasises the fact that the Royal Navy undertook the protection of all western commerce and shipping in China at that time. The Shanghai Steam Navigation Company was formed in 1862 by the American firm of Russell and Company, and by 1867 it had overcome all opposition on the Yangtze from other American and British companies, including Jardine, Matheson and Company. Its only rival was a small British company, the Union Steamship Company, which operated two steamers. By an agreement of 1867 Jardines' withdrew their river steamers to the coast, in return for a promise from Russells not to increase their coast services south of Shanghai. The other important British company then, Dents, had failed in the financial crisis of 1866, and Russells had bought several of their ships.

Although American steamers were predominant in this initial period of foreign shipping on the Yangtze, British commercial interests as a whole were predominant, and the Shanghai Steam Navigation Company was far from being a completely American company. When it was formed one third of the capital of Taels 1,000,000 (approximately £330,000) was subscribed by members of Russell and Company, one third by British business men in Shanghai, and the remainder by Chinese business men. Many of the ships' officers were British, and Russells often acted as agents for British ships. The driving force

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11 Kemp Tolley, Yangtze Patrol (Annapolis, Maryland 1974) p.18

behind the company, however, came from the American partners of Russell and Company, and in particular from Edward Cunningham, who was managing partner for several years.

The Chinese were attracted to the steamers very soon after they appeared on the river, and passenger traffic became increasingly important. The Commissioner of Customs at Hankow wrote in his report of 1870: "They are amazed at the speed with which they journey, at the cleanliness and order that obtains on board, and above all at the comparative inexpensiveness of the voyage."[12] A letter of 27 February 1873 from F.B. Forbes of Russell and Company in Shanghai to Edward Cunningham in New York, illustrates the importance of the passenger trade to the Shanghai Steam Navigation Company. He wrote that in 1871 the steamers carried 9,719 Chinese and 239 foreign passengers on the Yangtze, and that passenger receipts were Tls.119,000, seven per cent of the total receipts.[13] In that year the company ran an average of thirteen steamers per month from Shanghai, and the Union Steamship Company two.[14]

Freight wars and freight agreements were a common feature of the Yangtze steamer trade from the beginning. When it was opened to foreign trade in 1861 Hankow had just begun to recover from its occupation by the Taipings; but with them still entrenched at Nanking, and in control of much of the river above and below Nanking. The junk trade, therefore, was almost at a standstill. As a result, in the early years of foreign trade there was a boom and steamship freights rocketed. Everything which could burn coal was employed at a profit, and by 1862 there were over twenty steamers running regularly on the Lower River. As peace returned to the river after

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12. Imperial Maritime Customs Reports on Trade (Shanghai. 1870) p.22

13 K.C. Liu, Anglo-American Steamship Rivalry in China (Harvard University Press, Cambridge, Mass. 1962) p.89

14 N.C.H., Shipping Intelligence, August 1871

the Taiping defeat, the junk trade revived, and steamship freights stabilised as shown below.

Average steamer freights per ton of 40 cubic feet [15]

Year	Up (Shanghai - Hankow)	Down (Hankow - Shanghai)	Remarks
1861	Tls. 10.50	Tls. 20.00	
1862	" 8.00	" 7.50	
1863	" 4.80	" 3.50	
1864	" 5.00	" 2.40	Threat of freight war
1865	" 5.50	" 3.50	Freight agreement.[16]
1866	" 5.50	" 3.50	
1867	" 6.00	" 5.00	S.S.N.Co monopoly

Writing from Hankow at the end of 1861, the first British Consul at the port estimated the value of all foreign trade as Tls. 6,000,000, or some £2,000,000. Twenty six British steamers and eighty five British owned junks entered and cleared the port during this period.[17]

The same consul's report fifteen months later illustrated the rapid growth in trade during Hankow's first eighteen months as a treaty port. "Foreign trade for the year ending 31 December 1862 was £6,189,951, an increase of £3,011,482 over 1862. Freight between Hankow and Shanghai opened at four taels per ton, rose to ten by the end of the year, and averaged a little over seven for the year. The tonnage of vessels which entered and cleared during the year was 290,536, of which 128,475 was British, and 161,434 American.

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15 Imperial Maritime Customs, Reports on Trade (Shanghai 1865) p.11

16 Four British and three American companies entered this agreement, of which the most important were the British Dents and Jardines, and the American Russells.

17 BPP 1862 (3054) LVII p.45.

This was an increase of 196,103 over 1861. The only other countries represented were France, Russia, and Denmark, whose tonnage was 8,754, 1,840, and 834 respectively. There were also 293 British chartered junks which entered and cleared the port during the year."[18] The consul also commented on the superiority of the American over the British river steamers, the former of which could make two trips between Shanghai and Hankow in a month, compared with just over one trip by the British steamers. This superiority was partly technical; but was also due to the fact that American steamers carried a much larger proportion of their cargo on deck than British steamers, which resulted in much quicker loading and discharging.

The tea trade was the most important trade at Hankow during the early years of the treaty port era. As we have seen, the first cargo was loaded on the British clipper Challenger in 1862, and during the first fifteen years or so many famous tea clippers, including the Cutty Sark, loaded at Hankow. Hankow, therefore, was both a coast and an ocean port, and the passage up and down river of deep sea ships during the tea season meant competition for the regular river steamers. In the 1869 season, for instance, two ocean steamers, the Blue Funnel Agamemnon and the Erl King loaded tea at Hankow direct for London. This proved so profitable that in 1871 nine steamers planned to make at least one voyage to Hankow during the tea season. Russells thought this such a grave threat to their monopoly, that in May 1871 when the steamers were in Hankow, they reduced tea freights from Hankow to Shanghai to Tls.2.00 per ton. Two of the nine ocean steamers, however, went aground on the down river passage, and had to resort to expensive towing, and so

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18 BPP 1864 (57) LXIII p.40

in the following year only six of the ocean going steamers went to Hankow.

The first serious challenge to the Shanghai Steam Navigation Company's near monopoly of the Yangtze steamship trade came from the China Navigation Company in 1873. This company was formed by John Swire and Sons of Liverpool, and managed in Shanghai by Butterfield and Swire, who had opened their first office in China there in 1866. John Swire had a close relationship with Alfred Holt of Liverpool, whose Blue Funnel service to the Far East had been inaugurated in 1866, with Butterfield and Swire as agents in Shanghai. As soon as the first two China Navigation Company ships appeared on the river in April 1873, a freight war developed between the Shanghai Steam Navigation Company and the newcomers. The former reduced freights between Hankow and Shanghai from Tls.5.00 to Tls.2.50 per ton; but to its consternation the China Navigation Company responded by reducing its freights to Tls.2.00 per ton. After six months of costly competition, an agreement was reached on returns to brokers and shippers, and it is noteworthy that this and future agreements between the two companies were scrupulously observed on both sides. This agreement also provided that the rate from Shanghai to Hankow be increased to Tls.3.50 per ton, and the down river rate to Tls.3.00. During the period of rate slashing, other steamers were driven from the river, and lorchas virtually disappeared.[19]

In 1873 another new company also appeared on the river, the China Merchants Steam Navigation Company. This was a Chinese company, partly owned and controlled by the Chinese government. Unfortunately, on 9 March 1873 their first steamer on the river, the

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19 K.C. Liu, Anglo-American Steamship Rivalry in China (Cambridge, Mass., 1962) p.121 and 128.

Kiangloong, struck a rock in low water and became a total loss, and this postponed serious competition from this source for some time. By 1876, however, the China Merchants had increased its fleet considerably, and did pose a serious threat to the American and British companies. The increase in its fleet had been achieved by extensive and reckless borrowing from both government and private sources, and bore no relation to the company's commercial operations. It did result, however, in the steamship trade on the Yangtze (and on the Shanghai - Tientsin service where the three companies were also in competition) being divided almost equally between them.[20] In continuation of their policy of reckless borrowing, and supported by extravagant hopes of future expansion of trade, in 1876 the China Merchants Steam Navigation Company offered to purchase the fleet and shore properties of the Shanghai Steam Navigation Company, and to the surprise of the foreign business community of Shanghai their offer was accepted, and the change of ownership took place the following year.

Until this time the increasing number of steamers on the river had not resulted in any reduction in the number of junks, although these were not yet so numerous as in the years immediately preceding the Taiping Rebellion. The number of junks had increased since the opening of the river to foreign trade, as districts which had been devastated by the Taipings gradually returned to prosperity. With the expansion of trade, however, fostered by the increasing number of steamships on the river, it was thought that any decrease in large junks trading on the main river would be balanced by an increase in small junks trading on the Upper River and on the tributaries. Unfortunately, no accurate statistics are available on the junk trade for this period, as these passed through the native customs and not

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20 BPP 1877 (1857) LXXXIV p.27

through the Imperial Maritime Customs.

Tea continued to be the main export from Hankow, and in 1876 86,402,271 pounds were exported against 79,650,160 pounds in 1875. In addition to the river steamers, twenty eight ocean steamers and two sailing ships visited the port in 1876, twenty six of the steamers and the sailing ships being British, and all loading for London.[21] Silk was the next most important export, and the fact that silk exports from Hankow doubled during 1876 owing to the failure of the silk crop in Europe, illustrates how China had become integrated into the world economy by this time. Most of the silk exported from Hankow came from Szechwan, and was of inferior quality; but it was hoped that this quality would be improved once Szechwan was fully opened to foreign trade. Most imports were of cotton and woollen goods from Britain and India, and a decrease in imports of opium from India was due to the increased use of native opium from Szechwan and Yunnan. Hankow was now the second port in China for foreign trade, having recently overtaken Canton, and future developments on the Upper Yangtze were certain to further increase the importance of the port.

The table below illustrates the decline in American shipping on the Yangtze between 1873 and 1876, parallel with the increase in British and Chinese shipping. British shipping was now approaching predominance on the Yangtze, a position it would retain until the end of the treaty port era.

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21 BPP 1877 (c.1665) LXXXIV p. 25

Hankow Shipping 1873 and 1876[22]

	1873		1876	
Flag	Ships	Tonnage	Ships	Tonnage
British River	158	134,092	250	239,945
British Ocean	16	18,670	26	36,540
British Sailing Ships	2	1,396	2	1,842
British Lorchas	76	8,241	62	8,638
American River	396	325,634	208	191,086
American Ocean	-	-	-	-
American Lorchas	61	6,947	103	12,651
American Sailing Ships	-	-	-	
Chinese River	2	1,064	114	56,200

Note The shipping of other foreign countries was negligible and has been omitted. In the following year of 1877 after the fleet of the Shanghai Steam Navigation Company was sold to the Chinese Merchants, American shipping virtually disappeared from the Yangtze, and there were further increases in British and Chinese shipping.

One phase of foreign involvement ended in 1876. Navigational dangers were decreasing due to more accurate knowledge, improved charting, and experience, and this was reflected in decreased insurance and pilotage charges. Tobacco growing had recently been introduced around Hankow, and was proving a successful crop, and providing a further industry for Hankow. It was also encouraging that the Imperial government had at last authorised the opening of coal and iron mines in the province, and the employment of foreigners and foreign machinery in these enterprises. Over ten river steamers ran between Shanghai and Hankow every week, and there were passenger stations at all the important ports on the Lower River, and lights

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22 BPP 1877 (1857) LXXXIV p.27

and buoys were appearing in increasing numbers.

In this first period of British involvement on the Yangtze, British shipping, latterly mainly represented by the China Navigation Company, had successfully withstood American and Chinese competition, the latter of which enjoyed strong government support. British exports to China may have failed to increase to anything like the extent forecast by the China trade enthusiasts; but British shipping in Chinese waters had increased substantially. At this time British exports to China included exports from India. Cotton yarn was the most important of these Indian exports, and had recently supplanted opium as India's main export to China. The government of India, therefore, was vitally interested in the China trade. The China trade was also providing a valuable stimulus to British shipbuilding and marine engineering, and is sometimes said to have been a principal cause of Clyde shipbuilding supremacy. By the mid 1870s, several Clyde shipbuilding companies were largely dependent on the China trade. In addition, China coast and river steamers were providing increasing employment for British seamen, especially navigating and engineer officers, and also for British dockyards in Hong Kong and Shanghai.

CHAPTER 3

The Chefoo Agreement and the opening of the Middle Yangtze to foreign trade and shipping. Early steamer services on the Middle Yangtze and the chartered junk system; Archibald Little's activities and the position of Chungking. Approximately 1876 - 1895.

The Chefoo Agreement of 1876 appeared to initiate a new phase of British involvement on the Yangtze.[1] The Agreement had commercial and diplomatic clauses. Among the former, which affected British shipping, were those providing for the opening of the Middle Yangtze to foreign trade, Ichang and Wuhu to become treaty ports, and for six ports on the river to become ports of call. In addition, the Chinese tax on internal trade known as 'likin' was to be paid on all imports at the port of entry, after which they were to be subject to no further charges of any kind. All this, with the indemnity to be paid to the families of Margary and his companions who were murdered, seems excessive punishment. As an American historian put it: "The murder of a British subject was no doubt an outrage; but the penalty can also be said to be somewhat disproportionate, and the example of Western conceptions of justice this offered to the Chinese, at what was hoped to be the beginning of their tutelage, was pedagogically dubious."[2] Although the Upper Yangtze above Ichang was not opened to British shipping, the Agreement did provide for a British Consular official to be stationed at Chungking.[3] E.C. Baber, who had been a member of

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1 The Agreement was not ratified until 1886

2 Nathaniel Peffer, The Far East (1958) p.111

3 Section III (1) of the Agreement stated that the British government might send an officer to reside in Chungking "to watch over British trade in Szechwan. British merchants will not be allowed to reside in Chungking or open establishments or warehouses there, so long as no steamers have access to the port. When steamers have succeeded in ascending the river so far, further arrangements can be made".

the Grosvenor Mission enquiring into the Margary murder, was sent to Chungking in 1877, as the first British representative there.

The Middle Yangtze was the 350 miles between Hankow and Ichang; but because of the winding of the river the overland distance between the two ports was less than half that. Compared with the Upper and Lower sections of the river, the Middle River - except at its upper and lower extremities - was of no great commercial importance. It was a shallow waterway, and navigation was largely a matter of following the narrow channel from bank to bank. For the first several decades of steam navigation, sailing on the Middle River was confined to daylight hours, and not until 1920, after extensive surveys by the Chinese Maritime Customs, was night sailing instituted. The real importance of the Middle Yangtze was that it led to the Upper Yangtze and to Szechwan.

After so much diplomatic effort and expense spent in exploring the Yangtze above Hankow, it was surprising that the Chefoo Agreement led to so little immediate response from British shipping companies. One obvious reason was that the Middle Yangtze itself offered little opportunity for commercial exploitation, as it passed through a comparatively unproductive region. There were, however, several other important reasons for this inactivity.

The entry on to the scene in 1873 of the China Merchants Steam Navigation Company, with Li Hung-chang as the power behind it, led many of the foreign business community in Shanghai to think this was the first move in a campaign to restrict coast and river shipping to Chinese companies. This belief was strengthened in 1877 when the China Merchants bought the ships of the Shanghai Steam Navigation Company, and embarked on a programme of rapid and massive expansion.[4]

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4 The China Mail, 13 January 1877, 'The Purchase of the Shanghai Steam Navigation Company by the Chinese.'

It was also rumoured about this time that the China Merchants were about to purchase Jardines' China Coast Steamship Company.

Perhaps a more important reason for the China Navigation Company not extending its services to the Middle Yangtze, was that it was then engaged in a bitter war with Jardines on the Canton River and in the Shanghai - Ningpo trade. John Swire also believed that the China Merchants were being instigated by Jardines in some of their actions. But an additional factor may have been that John Swire was then busily and profitably engaged in developing the soya beancake trade between Newchang and south China, which was causing neither commercial nor diplomatic complications.

At the end of 1877, however, not long after its purchase of the American ships, John Swire was able to come to an agreement with the China Merchants to share the Yangtze trade between them in the proportion of fifty five per cent to the China Merchants and forty five per cent to the China Navigation Company.[5] The ink was no sooner dry on this than Jardines decided to return to the river with their newly formed Yangtze Steamship Company. They had withdrawn from the river in 1867 by agreement with Russells which was to last for ten years, and with the disappearance of Russells from the scene now felt free to return. William Keswick, senior director of Jardines, for his part looked on the agreement between John Swire and the China Merchants to share the Yangtze trade between them as an insult. The Chefoo Agreement, therefore, turned out to be a hard won diplomatic victory which failed to achieve its objectives.

By the time the Middle Yangtze was opened to foreign ships the fleet of the Shanghai Steam Navigation Company had been sold to the

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5 Sheila Marriner and Francis E. Hyde, The Senior John Samuel Swire (1967) p.58 - 62

China Merchants, so that the only major companies interested for the first few years were the China Merchants and the China Navigation Company. This almost complete disappearance of American steamships from the China coast scene was the result of several different factors. The arrival on the Yangtze of the China Navigation Company's first three ships in 1873, followed later in the year by the first two of the China Merchants, were serious threats to the Shanghai Steam Navigation Company's predominance. The China Merchants immediately adopted an aggressive policy of rate cutting on the Yangtze, and also on the Shanghai - Tientsin service which they had also invaded, and which was the other main area of operations for the Shanghai Steam Navigation Company. Prior to this the American company had been able to come to terms with both the China Navigation Company on the Yangtze, and with Jardines' China Coast Steamship Company on the Shanghai - Tientsin service. Competition now became so serious on both services because of the China Merchants' policy, that both Jardines and Russells considered selling out to them. Russells made the first response to the China Merchants' offer of purchase, and the change of ownership took place in March 1877. Tls.2,000,000 (approximately £660,000) was paid for the seventeen ships, and another Tls.200,000 (approximately £66,000) for the shore properties.

For eight years up to 1873 the shareholders of the Shanghai Steam Navigation Company had received twelve and a half per cent dividend; but from 1874 to 1876 only seven per cent, and during the latter years the company had drawn on reserves to cover fleet depreciation and renewals. At this time the China Navigation Company was only paying five per cent; but John Swire had made it clear that he was prepared to weather the storm for the sake of the future. By the time the first negotiations between the Shanghai Steam Navigation Company and the China Merchants were mooted, its

shares (originally Tls.100) had fallen to Tls.70.

The founding of the China Merchants Steam Navigation Company was, in the words of K.C. Liu, a major event in China's economic development.[6] Li Hung-chang's immediate objective was to provide a reliable means of transport for the 'tribute rice', a tax-in-kind shipped regularly from the Yangtze provinces to Peking, to guarantee the capital's food supply. But he also wanted the Chinese to share in the profitable and expanding steamship trade. As Governor General of the metropolitan province of Chihli, he was able to secure to the China Merchants a monopoly of the tribute rice carrying trade from the Yangtze to Tientsin, and in its first few years the new company looked as though it might be a serious threat to British shipping, not only on the Yangtze, but all round the coast.

In addition to local factors, the disappearance of Russells from the China coast scene must be viewed in a wider context, that of decreasing American interest in China and the Far East as a whole, and of the revival of British shipping and shipbuilding. The Civil War was followed by a period of reconstruction, and the opening of the west, and this seemed to attract men and capital which might otherwise have gone to China. There is, in fact, evidence in correspondence between the Russell partners in China and America of some transfer of capital from China to America at this time. Almost simultaneously with the sale of the Shanghai Steam Navigation Company to the China Merchants was the sale of another important American shipping company to the Japanese. This was the Pacific Steam Navigation Company, which had operated a service between San Francisco, Japan, and China. As a result of these transfers, America's share of the shipping trade of China fell from forty three per cent in 1864 to only five per cent

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6 K.C. Liu, 'British Chinese Steamship Rivalry in China 1873 - 1885' in The Economic Development of China and Japan (1964) p. 49 - 78, edited by C.D. Cowan.

in late 1877, during which time Britain's share rose from forty five to fifty five per cent.

On the Yangtze, Archibald Little was an exception to what appeared to be a general British disinterest in extending steamer services above Hankow. Little had commenced his career in the Lower Yangtze treaty port of Kiukiang in 1859, as tea taster to a German firm. After a few years he started the firm of Latimer, Little, and Company in Shanghai. He first became interested in the Upper Yangtze and Szechwan about 1880, and three years later made a journey by junk from Hankow to Chungking and back.[7] He returned a keen enthusiast for steam navigation on the Middle and Upper Yangtze, and for extending British trade into Szechwan and west China.

In 1884 he started an all year round service between Hankow and Ichang with a little twin screw steamer of 139 tons called the Y-ling. By this time the China Merchants and the China Navigation Company had made a modest beginning on the Middle Yangtze with a joint service between Hankow and Ichang with a larger steamer of 340 tons, the Kiangtung, which could only operate in the high water season. The experience he gained with the Y-ling convinced Little that steam navigation on the Middle and Upper Yangtze was perfectly feasible. In 1887, therefore, he formed the Upper Yangtze Steamship Company and built a larger steamer of 459 tons on the Clyde, which was sent out in sections and assembled in Shanghai. This was the Kuling, a stern wheel paddle steamer 175 feet long, flat bottomed, which drew only two feet six inches of water when light. Her paddles were drivem by long pistons, and Little's critics said that he was doubtful of her ability to navigate the Upper River, and relieved when he was able to get rid of her profitably.

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7 A. Little, Glimpses of the Yangtze Gorges (1887)

The Kuling arrived at Ichang in February 1888, and Little attempted to run her between Ichang and Chungking. The Chinese authorities, however, stuck firmly to the terms of the Chefoo Agreement, refused to allow the Kuling to sail above Ichang, and after a year of wrangling Little accepted defeat. He sold the Kuling to the China Merchants, reputedly at twice what she had cost him, and she was put on the Hankow - Ichang service.

Soon after this Little established himself in business at Chungking, where - among other activities - he specialised in insuring junk cargoes on the Upper Yangtze.[8] But - he was still determined to operate a steamer service on the Upper Yangtze as soon as possible, and critical of the failure of the British shipping companies established on the Lower Yangtze to support him.

The first British Consular Report from Ichang in 1878, soon after the port was opened, described the joint service operated by the China Merchants and the China Navigation Companies. This only ran in the high water season from May until December, and after a disappointing start was proving popular when it was withdrawn at the end of the season. Three years later the Kiangtung was still the only steamer on this service. She could carry 450 tons on a draught of six feet, and the Ichang Consul considered that a steamer capable of carrying 500 tons on four feet six inches and a speed of eleven knots was required.[9] At that time, however, this posed some difficult technical problems. The Consul thought there were excellent opportunities for a greatly expanded service between Ichang and Chungking; but so far his approaches to the two big British companies operating on the Lower Yangtze had met with no response.

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8 This contravened the Chefoo Agreement (see footnote p.1) but does not appear to have met with any opposition from the Chinese.

9. BPP 1882 (3398) LXXII p.28-29.

Consular reports over the next few years continually stress the need for an improved steamer service between Hankow and Ichang, and decry talk of a service on the Upper Yangtze before the problems of a satisfactory service on the Middle Yangtze had been solved. There was a steady increase in trade over these years; but only the one steamer was employed here until 1884, when Little's Y-ling joined the China Merchants' Kiangtung, the latter still only running in the high water season. The Y-ling, therefore, was the only British steamer on the Middle Yangtze during these first years, and when she was joined by the Kuling in 1889, the latter had been sold to the China Merchants. In this year the latter company replaced their Kiangtung with their much larger Kiangwan of 1,030 tons, while the former was converted from a paddle to a screw steamer to reduce her draught. She had previously drawn seven and a half feet when fully loaded, and this change reduced this to just over six feet, the maximum in a normal low water season.

The China Navigation Company had withdrawn from its joint service with the China Merchants after one year, and then in 1889 an agreement was reached between the China Merchants, the China Navigation, and the Indo-China Steam Companies, by which the Chinese company were left in undisputed possession of the Middle River.[10] The agreement gave the British companies increased rights on the Lower River, where British shipping was expanding and prospering, and amounted to over fifty per cent of the total steamer tonnage on the river. In 1890, G. McBain, a British Shanghai merchant, formed the China Mutual Steamship Company with two small steamers. In spite of

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10 In 1881 Jardines had amalgamated all their shipping interests - which included the Yangtze Steamship and the China Coast Steamship Companies - into the Indo-China Steam Navigation Company.

efforts by the three major companies to force him out, he managed to hold his own, largely because he had the advantage of a concealed Chinese interest.

The United States flag had re-appeared briefly on the river for a year between 1884 and 1885, during the Franco-Chinese War. This was because of fear of the French commandeering its ships, the China Merchants transferred its fleet to the nominal ownership of Russell and Company.

Meanwhile the French in Indo-China were not relaxing their efforts to reach Yunnan and Szechwan by the Red River. The silk merchants of Lyons had large interests in the China silk trade, and in alliance with Bordeaux merchants provided the main impetus behind French moves to develop the Red River route. They believed this would give them a shorter route, and also cheaper and under French control, to the markets and sources of their raw materials in west China. Although the total of French trade with China was small, the silk trade was important. At that time over one third of the raw silk used by the French industry came from China, either direct from Canton or Shanghai, or via London. Silk exports from Lyons alone in 1880 amounted to 234 million francs, out of total French exports of 350 million francs.[11]

In 1888 a stern wheeler 105 feet long was built at Hanoi, and succeeded in reaching the Yunnan border in seventeen days, which included nine days' delay through grounding. The Laohai negotiated the rapids on the upper section of the Red River without the help of trackers, and took only three days on the return journey. The difficulties they encountered on the passage, however, seem to have convinced the French that a railway from Haiphong to Yunnan, following

11 Laffey, Annuaire Statistique de la France (1882) p.117

the line of the Red River for much of the way, would be a more practical proposition.

In spite of the failure of the steamer trade on the Middle Yangtze to expand in the first years after it was opened to foreign navigation, there was a general increase in trade due to increased junk traffic. Accurate statistics for this period on the Yangtze are difficult to obtain, especially where junks are concerned. As Rhoads Murphey writes: "caution is the rule in the use of any statistics pertaining to China".[12] The junk trade went through the native customs, who supplied no statistics, and certain trades at that time were restricted to junks - opium and kerosene, for example. The opening of the Yangtze stimulated opium production in Szechwan and Yunnan, and by the late 1870s this had obtained the larger share of the domestic market at the expense of Indian opium. The Chinese Maritime Customs estimated that in the early 1880s, native production of opium amounted to 224,000 piculs (approximately 13,300 tons), of which Szechwan alone accounted for 177,000 piculs (approximately 10,530 tons) while foreign imports were only 67,000 piculs (approximately 4,000 tons). Szechwan and Yunnan also exported opium to Burma.

The opium trade inside China was at this time confined to Chinese merchants, and did not figure in statistics of the Chinese Maritime Customs. Up river junks required very large crews to help pull them up the rapids, and many were surplus to the down river passage. These men often returned with opium, carrying it on their backs by mountain passes and tracks remote from either Customs or likin stations.

In his journey from Ichang to Chungking in 1881 to investigate

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12 Rhoads Murphey, Shanghai, Key to Modern China (1953) p.95.

opium production in Szechwan, Consul Spence estimated that foreign goods imported into Chungking under the transit pass system had increased nearly twenty fold between 1875 and 1881, from only Tls.156,000 (approximately £52,000) to Tls.4,059,000 (approximately £1,350,000).[13] Transit passes were issued at Hankow or Ichang by the Maritime Customs, and so far as British goods were concerned dealt mainly with cotton and woollen goods. This system, as worked under the Chefoo Agreement, however, only protected foreign goods between the port of entry and a given port inland. Foreign goods for Szechwan were consigned by merchants in Shanghai, Hankow, or Ichang, to Chungking, for sale there to merchants from Chengtu, Kialing, Suifu, Wanhsien, and other places. They had already paid an import and a transit duty, and were entitled to no further concessions. They might, however, be subject to other local taxes and charges, before reaching their ultimate destination. It was a constant complaint of British consuls and merchants that - not only were they often compelled to pay illegal charges - they were unable to obtain from the Chinese authorities an official list of likin stations and rates of tax. Much of this confusion was the result of friction and lack of co-operation between central and provincial governments, the latter of whom relied on the likin and other local taxes for much of their revenue. Transit taxes were levied and collected by the provincial or district authorities. Then if foreign goods went all the way from Shanghai or Hankow to Chungking by the same vessel, whether steamer or junk, there would be no breaking of bulk at Ichang, and this would eliminate another possible opportunity for confusion, delay and expense.

The British Consul at Ichang in 1880 estimated that some 8,000

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13 BPP 1882 (c.3348) LXXII p.27

down river junks arrived at Ichang every year, and some 7,000 up river.[14] His successor two years later estimated that 625 tons of cargo went from Ichang to Chungking daily, and about the same amount came down.[15] Whichever figure is accepted, there is no doubt that the Szechwan trade was considerable, as these figures would mean that at least twelve junks went each way every day. The average time taken by junks on the up river passage was twenty five days, and six days down river, and the average freight was £4.00 per ton. This was twice that for the 11,000 miles between Shanghai and London. There were sound reasons for the belief, therefore, that steam navigation on the Upper Yangtze would greatly stimulate the Szechwan trade.

Making Chungking a full treaty port would also stimulate trade. British goods could then be landed there, 1,400 miles from the sea, after only having paid the import duty. They could then be sold to buyers from all over west China on a further payment of only the transit tax. The closer to the point of consumption at which foreign goods could be landed, therefore, the better for the foreign manufacturer and merchant. This explains the foreign merchants' constant pleas for extending steam navigation and the treaty port system further and further inland.

The reaction of the local population to this western invasion varied from time to time, and from place to place. Some travellers describe the Szechwan people as friendly and hospitable; while other travellers' descriptions are exactly the opposite. Blakiston's party found the country people civil and friendly; but the people in Chungking the reverse, and in the city they were threatened by soldiers

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14 BPP 1881 (c.3))9) XCL p.439

15 BPP 1883 (c.3954) LXXXV p.25

on several occasions.[16] Eight years later Swinhoe's party had a similar reception, friendly in the country and hostile in the city.[17] When A.E. Pratt travelled through Hupeh and Szechwan in 1887 - 88 he had a very hostile reception at several places on the river including Ichang and Chungking. At Ichang this was because it was rumoured that he was preparing to run a steamer service on the Upper River which would damage the junk trade. In Chungking the British Consul warned him against walking through the city streets alone. At Suifu 210 miles beyond Chungking, on the other hand, he had a friendly reception from the city people, many of whom were Moslems.[18] Generally speaking, the country people appear always to have been friendlier than the city people, although when G.E. Morrison passed through Chungking and Szechwan in 1894, he had a friendly reception everywhere. Morrison, however, although making no efforts to hide his identity, travelled in Chinese dress.[19]

Opposition to steamships from junk men and junk owners is a frequent theme in official reports from the Yangtze treaty ports, especially from Middle and Upper River ports; but the foreign merchants and shipping companies tend to treat it lightly. Apart from the obvious threat to their livelihood, there was a very real danger to deeply laden junks with a low freeboard from the wash of passing steamers in narrow waters. Many Chinese themselves preferred steamships, especially foreign steamships, because they were more free from bureaucratic interference, indiscriminate taxes, and corruption.

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16 T.W. Blakiston, Five Months on the Yangtze (1863)

17 R.H, Swinhoe, 'Special Mission up the Yangtze - Kiang,' Journal of the Royal Geographical Society, Vol. XL 1870

18 A.E. Pratt, To the Snows of Tibet through China (1892)

19 G,.E. Morrison, An Australian in China (1892), later to become famous as 'Morrison of the Times'.

Steamer cargoes were officially exempt from the likin taxes imposed at provincial and local boundaries, although this freedom was not invariably observed. Insurance was also cheaper and easier to obtain on foreign steamers. An illustration of indiscriminate taxation is provided by Davenport's experience in 1875-76, when travelling from Hankow through Yunnan to Burma. Davenport, an official from the British Embassy at Peking, learnt from a Chinese merchant that foreign goods were taxed seven times in the 800 miles from Hankow to Chungking, and another twice in the 150 miles from Chungking to Chengtu.[20]

Western missionaries of all denominations had been quick to take advantage of the clause in the Treaty of Tientsin granting them residential and travelling rights in the interior.[21] Consuls and other travellers in west China in the 1860s, 70s, and 80s, were never surprised to find missionaries, especially French Roman Catholic missionaries, in the most remote places. Undoubtedly the missionary presence was a cause of much of the anti-foreign sentiment, and many of the anti-foreign riots and disturbances in west China in the latter half of the nineteenth century were due to the presence and activities, or rumoured activities, of missionaries. In 1886 the Methodist Mission at Chungking was burnt down, and in 1890-91 there was a series of riots in the treaty port cities of Chinkiang, Nanking, Wuhu, Wusueh, and Ichang. These caused considerable damage to foreign property, and it was necessary to send British and American gunboats to help restore order.[22] These anti-Christian and anti-foreign disturbances came to a head in 1899 in the Boxer Rebellion.

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20 BPP 1877 (c.1712) LXXXIV p.B Davenport Report on the Trading Capabilities of the Countries traversed by the Yunnan Mission.

21 One clause in this treaty allowed Western missionaries to own, rent, or lease land anywhere in China: a right not conceded to merchants until later.

22 K.S. Latourette, A History of Christian Missions in China (1929)

In early 1890 the agreement between the three main shipping companies on the Yangtze came to an end, ending the China Merchants Steam Navigation Company's monopoly on the Middle River. Soon afterwards both the China Navigation and the Indo-China Steam Navigation Companies put specially designed steamers on the Middle River. The Indo-China Steam Navigation Company's was a sternwheeler of 677 tons called the Changwo built at Shanghai; while the China Navigation Company's was a larger twin screw steamer of 1,090 tons called the Shasi, built on the Clyde. The latter, however, drew too much water to run in the three winter months of low water. Shipping returns at Ichang for 1882, therefore, showed a large increase; 262 steamers of 132,250 tons entering and clearing the port, of which 89,724 tons were British. This was the first year in which British ships had the largest share of the Middle Yangtze steamship trade. In addition 1,338 chartered junks, of which 744 were under charter to British firms, went from Ichang to Chungking; and 681 came down, of which 447 were under charter to British firms. There was a correspondingly large increase in imports at Ichang to £2,510,779, of which £2,163,866 was re-exported to Chungking, illustrating Ichang's role as purely a transhipment port. This increase in steamer traffic led to a large increase in the passenger trade. By 1892 152 foreign and 9,940 Chinese passengers travelled between Hankow and Ichang, and this number increased to 162 and 10,632 respectively in 1893. The most important import was cotton yarn from Bombay, all of which went on to Chungking.

This increase in passenger traffic brought its disadvantages. Gangs of dangerous criminals were encouraged by the cheap fares to travel up and down the river and rob passengers' baggage, and also

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23 BPP 1893 (1211) XCII p.867

broach cargo. Efforts by the foreign companies to stop this sometimes led to serious trouble, and it was suspected that these gangs were responsible for the burning of the China Merchants' Paoching and the China Navigation Company's Shanghai in 1890. Both disasters took place on the Lower River, and a particularly unsavoury feature of the latter was that Chinese ships in the neighbourhood made no effort to come to the Shanghai's assistance. A more pleasant note is struck, however, by references to the fact that the Chinese sailors and firemen on the British river steamers were invariably honest and diligent.

By an additional article to the Chefoo Agreement in March 1890, Chungking had been opened to foreign trade (although not yet to foreign steamships) and from then chartered junks appear in shipping returns for the first time. This was an important advance. The chartered junks flew the houseflags of their charterers, and enjoyed many of the advantages enjoyed by foreign steamships - freedom from many of the irregular imposts on native junks, insurance, for example. They were thus the precursors of the steamships which were eventually to operate on the Upper Yangtze within a few years.

Several factors combined to induce both Jardines and Swires to enter the Middle Yangtze steamer trade in earnest at this time. One was that with the opening of Chungking to foreign trade they would need to operate services on the Middle River so as to enjoy the advantages of the Upper River trade. Middle River steamers would act as feeders for the Upper and Lower River steamers, and vice versa. And, if one company went into the Middle River trade the other could not afford to ignore it. There was already an alliance of British Ocean and British Yangtze steamers. The China Navigation Company had a very close relationship with the Blue Funnel Line, and the Indo-China Steam Navigation Company a similar - but not so close - relationship

with the Glen Line. By extending their operations to the Middle Yangtze and then - by chartered junks - to the Upper Yangtze, they were effectively bringing Chungking and Szechwan into the orbit of world trade.

Another factor was the deteriorating position of the China Merchants Steam Navigation Company, which for the first few years after 1877 had looked like becoming a serious rival to the British companies. From the Franco-China War of 1883-84, however, the Chinese company had been steadily losing ground to the two British companies. In the 1883 pooling agreement between the three companies, the Indo-China Steam Navigation Company had obtained twenty per cent of receipts on the Yangtze and twenty eight per cent on the Shanghai-Tientsin trade; while the China Navigation Company had obtained thirty eight and twenty eight per cent respectively. In a new agreement in 1893, however, the Indo-China obtained twenty five per cent on the Yangtze and thirty one per cent on the Tientsin trade; while the China Navigation Company retained its thirty eight per cent on the Yangtze and increased its share of the Tientsin trade to thirty three and one third per cent.[24]

There were several reasons for the failure of the Chinese company to live up to its early promise. The rapid expansion in the early years had been due to government aid and loans; but these had their disadvantages. Those who administered the loans and arranged the transport of the tribute rice exercised considerable patronage within the company, and this led to overstaffing, corruption and waste. Tong King-sing, the 'merchant chief' of the company, was an

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24 K.C. Liu, 'British-Chinese Steamship Rivalry in China 1873-85' in The Economic Development of China and Japan (1964), edited by C.D. Cowan, p.75-76

able and enterprising business man; but he was unable to rid the company of these encumbrances.[25] The company also had to pay very high interest rates compared with the British companies, between twelve and fifteen per cent compared with four or five per cent, and its shareholders - both official and private - demanded a high return for their investment, and were unwilling to forego immediate profits in order to provide capital for adequate depreciation and reserves. As a result of all these factors, between 1884 and 1894, while the China Navigation Company's fleet increased to twenty nine ships of 35,543 tons, and the Indo-China Steam Navigation Company's fleet to twenty two ships of 23,953 tons, the fleet of the China Merchants remained at twenty six ships of 23,284 tons.[26] In fact, the existence of the Chinese company worked to the advantage of the British companies, as in order to preserve its position, the government on several occasions prohibited Chinese merchants in Shanghai from forming steamship companies. By this time Chinese merchants in Hong Kong and Singapore had proved their ability in this respect, although their ships operated under the British flag with British officers.

An official report from Chungking described the first full year of the chartered junk system after the port had been opened to foreign trade.[27] There had been a considerable increase in trade in 1892, and of the 1,879 junks of 43,294 tons chartered during the year, 1,114 of 24,889 tons were British, 397 of 11,326 were American, and 368 of 7,979 tons were Chinese. The junks under American charter were really owned and operated by Chinese merchants using the United States flag for protection.

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25 Tong King-sing had formerly been a compradore with Jardine, Matheson, and Company.

26 Liu p.75

27 BPP 1893 (1187) XVII p. 953

In 1892 Little's Chungking Transport Company was established and published the conditions under which it would insure junk cargoes on the Upper Yangtze. Premiums were high, and at first very little business was obtained from the Chinese merchants, while Jardines and Swires continued their Lower and Middle River practice of carrying their own insurance. A year later, however, the Consul reported that the smaller Chinese merchants were beginning to insure with Little's company; but that there had been no change in the practice of the large companies. Junk casualties on the Upper River appear to have been lower than was anticipated, and in the first six months of the chartered junk system in 1892 only five out of 306 upward bound junks were wrecked, and only three out of 306 downward junks.[28] Very little of the cargoes were totally lost, most being recovered, dried out, and then forwarded to its destination. Small junks were preferred for valuable cargoes, being considered less liable to accidents in the rapids, and it became standard practice for risks to be divided as much as possible, and for a large consignment of valuable cargo to be divided between several junks.

The first British Consular representatives at Chungking were notable travellers, and the accounts of their travels made a valuable contribution to Western knowledge of Szechwan and west China. F.C. Baber was the first British representative at Chungking in 1877, followed by E.H. Parker in 1880, and Alexander (later Sir Alexander) Hosie in 1882. The latter spent most of his career in Szechwan and wrote several books about west China.[29] The Chungking establishment was upgraded to a Consulate in 1899, and then in 1902 as further proof

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28 BPP 1893 (1187) XVII p. 953

29 A. Hosie, On the Trail of the Opium Poppy (1914) Three Years in Western China (1897)

of the importance attached to west China, a Consul-General was appointed to Chengtu, capital of Szechwan, and to Yunnan-fu, capital of Yunnan. Sir Alexander Hosie was Consul-General at Chengtu from 1902 until 1908.

In 1887-90 A.E. Pratt, a naturalist and zoologist, travelled extensively in Hupeh, Szechwan, and further west, and was the first of a long line of scientists who explored this part of China between the 1890s and the 1930s.[30] Pratt arrived in Shanghai in April 1887, and after a short stay there, and at Kiukiang and Hankow, arrived at Ichang in August. He lived in a houseboat at Ichang while making preparations for his journey further west. As he was unable to hire a suitable craft for the Upper River, he had one constructed locally to his own design. This was thirty six feet long with six compartments, ten feet beam, and drew two feet of water when fully loaded - a form of mandarin boat. His party included a British insect collector and a German assistant, and numbered twenty one, eight of his boat crew being trackers. At many of the rapids, however, additional trackers were required. Twenty days were taken on the passage to Chungking, where Pratt stayed at the British Consulate for three days, before continuing up the Yangtze to Suifu. From Suifu he continued another ninety miles up the Min River to Kiating (now Loshan). This was about 1,700 miles from the sea, and probably the highest point on the Yangtze system reached by a European. Pratt left his boat at Kiating under the charge of the captain, and set off further west, reaching Mount Omei, over 11,000 feet high, and one of China's most holy mountains. In this area he met an American who had previously worked at the American Legation in Peking, and - apart from Roman Catholic missionaries - this was the only European he met after

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30 A.E. Pratt, To the Snows of Tibet through China (1892)

Chungking. Most of the missionaries he met had seen no European since Baber had passed that way eleven years earlier.

Pratt spent several months collecting specimens in Szechwan, and then returned as he had come, by Kiating, Chungking, and Ichang, to Hankow. He stayed at Hankow for five months arranging his specimens and recuperating, and then made a second expedition covering much the same ground. On this occasion he climbed Mount Omei, and also climbed 15,000 feet in the Gongkia Ling Mountains on the Tibetan border, where he found magnificent rhododendrons as high as 12,000 feet. In addition to many zoological specimens, Pratt brought back over 500 specimens of flora, of which 150 were new to Europe. His journeys seemed to have attracted comparatively little attention; but must have encouraged other scientists to follow in his footsteps, as soon after this Szechwan and Yunnan became the El Dorado of many famous plant hunters.

Official reports from Ichang and Chungking after 1891 show a steady increase in trade on the Upper Yangtze, with occasional setbacks due to exceptional circumstances, climatic or political. All, however, emphasise that there could be no really substantial market for British goods in west China until a regular steamer service was established between Ichang and Chungking. They also stress the need for good junk anchorages in Chungking harbour for high and low water seasons, and for at least one steam tug to speed up cargo work.

In the report for 1894 the export of sheeps' wool from Chungking is noted for the first time; 12,869 hundredweights being exported in 1893 and 22,656 the following year.[31] Most of this was of a coarse variety from the far west of Szechwan and from Tibet, and was mainly

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31 BPP 1894 (1396) LXXXIX p.339

used for carpet making, and this trade seemed likely to increase in the future. Kerosene imports, however, which had been increasing rapidly showed a large decrease in 1894. This was because of a ban on imports after a disastrous fire in Chungking in December 1893, caused by a kerosene lamp overturning. When this ban was removed two years later kerosene imports resumed their rapid increase, and in 1896 amounted to 23,510 gallons, mostly of American origin.

An interesting feature of the Upper Yangtze which greatly impressed foreign travellers, was the lifeboat service. This was started in 1854 by a prosperous merchant who lived near the dangerous Hsin Tan. He raised sufficient money by public subscription from junk owners and merchants to build and operate three life saving craft, which - because they were painted red to distinguish them from other junks - came to be called 'red boats'. Several years later the great Li Hung-chang appreciated the red boat service so much that he arranged for additional funds to come from the salt gabelle and likin taxes to build another three boats, and by 1875 the fleet had increased to some twenty boats. From this time no dangerous rapid was without at least one red boat. In 1883 the life saving service became a government responsibility, operated by the Ichang provincial authorities through a special department called "The Life Saving Office ".

A kindred service was provided by the guard or gunboats, which acted as river police. These were of similar design to the red boats but larger, and were in charge of a separate official. Neither guard or red boats were allowed to salvage cargo. This was the work of specially registered fishing boats from the nearest village, the salvaged cargo being taken into safe custody - often a disused temple - to await identification, and the fishermen rewarded according to a

fixed scale.[32]

During the 1870s, 80s, and 90s, there was a steady decrease in the value of silver, partly as a result of greatly increased production in America, and this sometimes distorted trade statistics. In 1871 when the Haikwan tael was 6/8d, exports from China were Tls. 77 million (approximately £25.6 million). By 1892, by which time the tael had fallen to 4/6d exports had increased to Tls.102 million, an increase of nearly thirty three per cent in silver value; but in sterling was only £23.2 million, a decrease of ten per cent. There was also an important change in the pattern of trade over these years. In 1871 tea accounted for Tls.39 million, about fifty per cent of total exports, silk exports were Tls.26 million about thirty three per cent, and miscellaneous goods Tls. 12 million, about seventeen per cent. By 1891, however, tea exports had fallen to Tls.25 million, only about twenty four per cent of total exports; silk products had increased to Tls.39 million and to thirty eight per cent of the total; while miscellaneous goods had increased to Tls.39 million, by over three fold, and were now thirty eight per cent of the total exports. The decrease in tea exports was due to the success of the newly established tea industries in India and Ceylon in capturing the British tea market from China. The fall in silver made it profitable to export a large variety of miscellaneous goods which formerly would have yielded little, or no, profit.[33]

The disappearance from the Yangtze shipping scene of Russells' Shanghai Steam Navigation Company in 1877, was not the end of foreign competition for the British shipping companies. In 1862, the year in which the American company was formed, the first Japanese ship

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32 Much of this information on the red boats is from G.R.G. Worcester's Sail and Sweep in China (1966)

33 BPP 1893 (3104) LXXXIII p.26

appeared on the river. This was the Zen Sai Maru, formerly the British S.S. Armistice, which, - in addition to general cargo - brought a number of Japanese officials. These were introduced to the Taotai, the Commissioner of Customs, and the Western consuls by the Netherlands Consul.[34] From this time references to Japanese ships occur with increasing frequency. In the Customs report of 1875, imports of Japanese coal of 48,800 tons are recorded at Shanghai, and coal - mostly for steamships - seems to have given Japan a good foothold in the China trade. Three years later Japanese coal imported into Shanghai averaged 12,000 tons per month, and resulted in a large reduction in imports from Cardiff and Australia. German ships appeared on the river before the end of the century, and at one time looked like being equally formidable competitors; but these disappeared from the river during World War I, and never returned. In the outcome Japanese ships were to prove the most serious challenge to British shipping predominance.

Trade on the Upper Yangtze continued its steady increase until the Treaty of Shimonoseki, and by 1894 the number of chartered junks going from Ichang to Chungking was 1,180; and 813 in the other direction. The number under British charter was 927 up and 483 down, and a decline in the number under American charter was because much of American trade was being transferred to junks under British charter, because of the greater consular facilities available to the latter. There were still only three British firms represented at Chungking (Swires, Jardines, and Little's Chungking Transport Company); one American firm, and one German firm; and all foreigners still lived in the Chinese city. It was hoped that when Chungking became a treaty port in the full sense of the term, it would acquire a foreign

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34 BPP 1880 (2475) LXXV p.18

concession or settlement, and all the British Consuls were bitterly critical of the conditions under which they were compelled to live.

The Treaty of Shimonoseki of 1895 removed all the ambiguities surrounding steam navigation on the Upper Yangtze and the position of Chungking. One clause opened the Upper River to steam navigation, and another raised Chungking to full treaty port status. These important changes reduced the problem of steam navigation on the Upper Yangtze to a purely technical dimension. With unrestricted admission - as it now seemed - to the promised land of Szechwan and west China, the stage was set for a full scale development of foreign trade.

CHAPTER 4

International rivalry in China and diplomatic background to the situation on the Yangtze; Anglo-French, Anglo-German, and Anglo-Russian agreements and the Anglo-Japanese Alliance. Sino-Japanese and Russo-Japanese Wars and the Boxer Rebellion. Britain's 'special' position in the Yangtze region. Approximately 1895 - 1914

The Sino-Japanese War of 1894-95 altered the pattern of relations between China and the world's major powers. The emergence of Japan as a major power in the Far East, and her territorial gains from China, further exposed China's weakness, and shattered any illusions that the reforms reluctantly adopted after the Second China War had had any success. "The European nations were suddenly brought face to face with the partition of the Chinese Empire, on which some of them already had designs."[1] The Dual Alliance of 1894 between France and Russia had already forced Britain to question her policy of 'Splendid Isolation', and after 1895 she had to face the fact that Germany, Japan, and Russia, as well as France, were now major factors in Far Eastern politics.

Hitherto Britain had been almost unchallenged in China, except in the south-west by France, and the British Ambassador at Peking had exercised, almost as by Divine Right, a measure of direction over China's foreign policy. He had been sustained by the knowledge that Britain controlled three quarters of China's foreign maritime trade, and that the Royal Navy controlled the China Seas. British influence was paramount at Shanghai, the commercial and financial capital of the country, and the Yangtze region regarded as an area of special

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1 A. Viallate, Economic Imperialism (New York 1923) p.74

British interest. British banking houses in Hong Kong and Shanghai, and a British subject in charge of the Imperial Chinese Maritime Customs, reinforced the British position.

There had been portents of change in the preceding years. Industrial development in other European countries, and the setting up of tariffs in some of those countries, had led to an increasing interest in undeveloped parts of the world, particularly in China. In 1889 the China Association was formed. This was a powerful mercantile organisation with headquarters in London and branches all over the Far East, and among its members were the Hong Kong and Shanghai Banking Corporation; Jardine, Matheson, and Company; and the Peninsular and Oriental Steam Navigation Company. The principal aims of the Association were to influence government policy, and enlist support against encroachment in what it considered were British preserves, and so maintain Britain's hegemony in China.

Japanese ships had appeared on the China coast very soon after Japan herself was opened to foreign trade by the Perry Expedition of 1853-54. The first Japanese ship arrived at Shanghai in 1862, and by the early 1880s Japanese coal had completely ousted Welsh coal from the Shanghai market, and substantially reduced Australian imports. Before the Sino-Japanese War broke out in 1894, therefore, Japan was already a formidable rival in China coast shipping.

Germany had also shown increasing interest in China before 1894; but after Japan's victory emerged as a major power. Her interest was not confined to Kiaochow Bay and its hinterland in Shantung, and she had earlier made strenuous efforts to get a foothold in the Yangtze region, and challenge Britain's predominance there. One important aspect of this challenge was in shipping. Her first choice for a base in China had been Chusan in the Yangtze estuary, and when Britain

pointed out that under the Boca Tigris Treaty with China of 1846, China had agreed not to cede these islands to any other power, Germany offered the Cameroons in West Africa to Britain if she would agree to waive this right. When Britain refused, Germany turned to Kiaochow Bay. After the formal annexation of Kiaochow Bay in 1898 Germany declared Tsingtao (the port in the Bay) a free port. It soon became a regular intermediate port for the British steamers in the Shanghai - Tientsin trade, and this may have gone some way towards reconciling Britain to the German acquisition.

Russia had been interested in the China trade, by way of Siberia, since the time of Peter the Great, if not before, and after the Treaty of Tientsin of 1858 had been steadily strengthening her position in Siberia and Manchuria. Until the 1890s, however, she had not appeared to challenge the British position, based as it was on maritime trade. Anglo-Russian, like Anglo-French rivalry, was an endemic factor in international relations at this period, and at times after 1895 it seemed as though Russian ambitions in China would lead her to encroach on the British position on the Yangtze. By this time too, the inevitability of Russian domination of the Asian land mass was widely accepted, and Britain hoped that increased Russian activity in North China, so long as it did not extend south to the Yangtze, would relieve Russian pressure on Afghanistan, Persia, and Turkey, and so reduce the threat to India.

Japan's overwhelming victory over China, and her demands at the Treaty of Shimonoseki of 1895, brought these international rivalries into the open. Britain adopted a neutral attitude when the Triple Intervention of France, Germany, and Russia, forced Japan to modify her territorial demands from China in return for an

increased indemnity. From the outbreak of the war against China, it seemed - at least in retrospect - as though events were moving towards some form of Anglo-Japanese cooperation, although the sinking of the British steamer Kowshing by the Japanese at the beginning of the war was hardly an auspicious beginning.[2] Britain had already received a negative response from the United States when she suggested some form of joint action in China, the latter being at that time preoccupied with her relations with Spain over Cuba. Then, the wave of hostility in Europe against Britain following the Jameson Raid in South Africa in 1896, underlined her isolation.

Britain had originally been convinced of a Chinese victory in the war of 1894-95, and had looked on Japan as having instigated an unprovoked attack on a peace loving country. Japan's efficient conduct of the war, however, and her overwhelming victories, soon swung public opinion in Japan's favour. Japan's gratitude to Britain for the latter's neutrality towards the Triple Intervention was reciprocated when Britain realised that many of the concessions Japan gained from China by the Treaty of Shimonoseki, were what she herself had been trying to obtain for many years. Under the most-favoured-nation clause in her own treaties with China, Britain would now be able to enjoy these same concessions. Of special importance were the clauses in the Treaty of Shimonoseki declaring the Upper Yangtze open to steam navigation; making Chungking a treaty port of the same status as other treaty ports; and permission for foreigners to import machinery into the treaty ports and establish

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2 The Kowshing, owned by Jardine, Matheson, and Company, was under charter to the Chinese government, and was carrying 1,200 Chinese soldiers to Korea when sunk off the Korean coast on 25 July 1894, and over 1,000 soldiers drowned. There was some doubt as to whether war had actually been declared at the time; but Britain gave Japan the benefit of the doubt.

industries there.

Britain considered the Russian threat the most serious. Russia had been advancing steadily into Manchuria for several decades, and her foreign policy under Count de Witte envisaged an increasingly powerful Russian presence in North China. Inadequate communications between European Russia and the Far East, however, delayed progress, and de Witte was content to proceed cautiously until the Trans-Siberian Railway - construction of which had commenced in 1891 - was completed. Britain became as suspicious of Russian intentions in North China as in Central Asia.

Much of the international rivalry in China after the Treaty of Shimonoseki concerned railway loans, each of the Powers being determined to finance railway construction in particular areas, so as to obtain spheres of influence in a disintegrating China. There was a general belief at this time that China would soon break up into several independent - or semi independent - states, and a general scramble among the various Powers to anticipate this. An almost Byzantine series of financial syndicates and consortiums were formed in the latter years of the nineteenth century and the early years of the twentieth, by British, French, Belgian, German, and Russian organisations, all to some degree guaranteed by the governments involved. Throughout all this manoeuvring Britain was determined that any railway which affected the Yangtze region should be under her control. In 1898 she reacted strongly when France and Russia - acting through a dummy Belgian syndicate - obtained a concession for a railway from Peking to Hankow, right through the Yangtze Valley. By threat of naval action Britain wrested several concessions from China for lines under very similar conditions, including the vital

Shanghai - Nanking line, which was expected to be extended later to Chinkiang and the Far West.[3] In this maze of diplomatic and financial intrigue the welfare of China and of the Chinese was a very minor consideration. In deference to public opinion in the Western democracies, however, it became almost obligatory at this time for every international agreement concerning China to include a clause piously guaranteeing her independence and territorial integrity.

After the Treaty of Shimonoseki China was compelled to borrow abroad in order to pay Japan the indemnity of £40 million, and naturally turned for advice to Sir Robert Hart, Inspector General of Customs. The other Powers, however, were afraid that any loan arranged under Hart's auspices would increase British influence in Chinese policy, and so France and Russia quickly arranged a loan of £15,820,000 at four per cent, which was underwritten by the Russian government. In this move they ignored Germany, the third partner in the Triple Intervention, and also aroused hostility in Britain and the United States.

It would be tedious, as well as difficult, to describe fully all the diplomatic and financial agreements respecting China which were concluded between 1895 and 1907, a period which embraced the Boxer Rebellion, the Boer War, and the Russo-Japanese War. The first was the Li-Libanov Alliance of 1895, immediately after the Treaty of Shimonoseki. In this alliance China and Russia guaranteed to support each other in East Asia, China, and Korea. This was followed by the Anglo-French Agreement of 1896, the Scott-Muraviev (Anglo-Russian) Agreement of 1899, the Anglo-German Agreement of 1900, and finally the Anglo-Japanese Alliance of 1902. The latter

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3 Kuzuo Kawa, 'Anglo-German Rivalry in the Yangtze Region' Pacific Historical Review (1939)

had a secret clause correlating the protection of British interests in the Yangtze region with Japanese interests in Korea; but excluding Manchuria. Then in 1903-04 the Entente Cordiale attempted to reduce Anglo-French rivalry all over the world, although it was probably less successful in south and west China than elsewhere.

Britain was fortunate in having a succession of able representatives at Peking during this period. Sir Nicholas O'Conor was Minister from 1892 to 1896, Sir Claude MacDonald from 1896 to 1900, and Sir Ernest Satow from 1900 to 1904. MacDonald is the most famous of the trio, largely because of the part he played in the Siege of the Peking Legations during the Boxer Rebellion; but probably his greatest achievement was in 1898. In that year he negotiated the non-alienation of the Yangtze region in an exchange of letters with the Tsungli Yamen.[4] His insistence on using the terms 'region', instead of 'basin' or 'valley' was considered a great diplomatic victory, as it gave Britain a free hand in future negotiations over other areas of central and west China, which might be considered otherwise as outside the Yangtze valley proper.

Ambiguous as the letters between Sir Claude and the Tsungli Yamen were, they were accepted by the other Powers as giving Britain special rights in the Yangtze region. In his Overland to China, A.R. Colquhoun describes this charter of British rights and interests as "no Convention signed and sealed by the ministers of the two governments, scarcely even an official declaration, but an off-hand reply to a query of the British Minister in Peking as to whether the Chinese government would consent to alienate the great central zone

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4 BPP 1898 (8440) CV p.757. The department of the Chinese government which dealt with foreign affairs.

of the Empire. "Of course not", was the laconic and only possible reply of the Tsungli Yamen".[5]

The value of this exchange of letters was partly nullified when the French came to a very similar agreement with China over the non-alienation of the provinces of Kwangtung, Kwangsi, and Yunnan, and also obtained a concession to build a railway from Haiphong in Indo-China to Yunnan-fu. Apart from this railway concession, this France - Chinese agreement was of doubtful value, as it contravened previous agreements between both Britain and France and Britain and China. In return, however, Britain persuaded China to open the West River to foreign shipping, and make Wuchow and Nanning treaty ports. These were 120 and 380 miles respectively from Canton.[6]

British merchants in Hong Kong and Canton had been pressing for the opening of the West River for some time, so as to develop trade with Kwangsi and the supposedly wealthy Yunnan. France, however, objected to Nanning becoming a treaty port, on the grounds that it contravened their non-alienation agreement with China concerning Kwangsi, Kwangtung, and Yunnan, and delayed its opening for ten years. This, of course, restricted trade and navigation to the lower reaches of the West River.

In this Anglo-French tit for tat, Britain obtained a concession to build a railway from Pakhoi, a treaty port in south west Kwangtung, to Nanning. France also obtained a concession to build a line from Lungchow, a town which they had persuaded the Chinese to make a treaty

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5 A.R. Colquhoun, Overland to China, (1900), p.313

6 As Hong Kong is eighty miles down river from Canton, another eighty miles must be added for distances from Hong Kong

port in 1887, to Nanning, which would be a branch of the Haiphong - Yunnan-fu line. The proposed British line from Pakhoi would, of course, compete with this latter French line.

Of more solid advantage than these vague and grandiose railway schemes were the leases Britain obtained of the New Territories on the mainland opposite Hong Kong, and of the harbour of Wei-hai-wei in Shantung. The former was for ninety nine years, and considered necessary for the defence of Hong Kong; and the latter to counter-balance the Russian acquisition of Port Arthur on the opposite side of the Gulf of Peichihli.

This was the period when the 'Scramble for Concessions' in China was at its height, described by the Chinese as "the dividing of the melon." Britain's role throughout was primarily defensive, and defined by Lord Salisbury as "how to defend in an age of competition that which was acquired in an age of monopoly." British policy was based on the principle of the 'Open Door in China', and Britain joined the other Powers in this sometimes rather undignified scramble, not to oppose those Powers in their areas of special interest; but to prevent those areas from becoming "spheres of influence". Defending this policy Lord Balfour said in 1898, "Spheres of influence we have never admitted, spheres of interest we have never denied."[8]

Another MacDonald success in 1898 concerned the post of Inspector General of the Chinese Maritime Customs. Great importance was attached to this post, as the holder was probably the most influential foreigner in China, especially where economic and financial matters were concerned. Sir Claude persuaded the

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7 L.K. Young, British Policy in China 1895-1903 (1970) p.65

8 Young, p.90

Tsungli Yamen to agree that this post should always be held by a Briton, so long as Britain's share of China's foreign trade exceeded that of any other country. When Sir Robert Hart retired in 1911, after nearly fifty years in the Customs service, most of these as Inspector General, he was succeeded by Sir A.F. A'Glen, and he in turn by Sir Frederick Maze, the latter being Inspector General in 1941 when Japan entered the war against Britain and the United States.

The British occupation of Shanghai during the Boxer Rebellion illustrates more than anything else Britain's determination to maintain her position in the Yangtze region. Despite the drain on her military and naval establishments caused by the Boer War, and her substantial contribution to the International Relief Force at Peking, and despite strong opposition from the other Powers, a strong British military force was landed at Shanghai in August 1900, just at the time the relief of Peking became known. British naval forces in the Yangtze estuary were also strengthened at the same time. France, Germany, and Japan, followed Britain's example, and also landed troops, as they considered the defence of Shanghai an international - and not a purely British - responsibility. It was almost two years later, and after some international wrangling, before the foreign contingents were withdrawn from Shanghai. The chief anxiety of the British government then was not actually over the presence of other foreign troops in Shanghai; but the thought that they might extend their operations over the whole Yangtze region, and thus challenge the British position. In their occupation of Shanghai the British government acted under strong pressure from the British Consul-General at Shanghai, the Shanghai Municipal Council, and public opinion in Britain. The British

Minister and the Legation at Peking were then cut off from the outside world, and rumours that most of the British residents of Peking had been murdered were current.

The Anglo-Japanese Alliance was strengthened during the Russo-Japanese War of 1904-5, when Britain denied the Russian fleet passage through the Suez Canal and the use of coaling ports during its ill-fated voyage to the Far East. Following this, the undignified scramble for concessions came to a head in 1907, with the Russo-Japanese Convention and the Franco-Japanese Treaty. In the former - probably the most cynical agreement of all - the former enemies publicly supported China's independence and territorial integrity, while secretly agreeing to divide Manchuria into a north and a south zone, the former to go to Russia and the latter to Japan. Something approaching this did eventuate in the following years. By comparison the Franco-Japanese Treaty was comparatively innocuous, the two countries agreeing to respect and support each others 'territorial rights in China'. China was almost powerless to prevent these developments, and could only try and preserve as much of her sovereignty and territory as possible by encouraging disharmony between the Powers. She had one success in 1899, when she rejected Italy's demand for the lease of San Mun Bay in Chekiang Province, and for recognition of the coastal region of Chekiang as an Italian sphere of influence.

In the final analysis, the result of two decades of diplomatic manoeuvring, was to achieve some sort of balance of power in China, with Germany and the United States isolated, and Britain still predominant in the Yangtze region. This was probably of greater

importance in Europe when war broke out in August 1914, than in China. In the economic field many of the railways for which concessions were granted were either never built, or built many years later by the Communists. Lord Curzon, when Viceroy of India in 1899 dismissed the Burma - Yunnan railway project of the British Yunnan Company as so much waste paper, and so dealt a near fatal blow to the Yunnan Myth, as well as to the dreams of a rail link between Burma and China.[9]

One of the main results of the foreign intervention in China in the 1890s and 1900s, was to stimulate Chinese nationalism, until then an almost negligible element in Chinese affars, and so help to destroy the Manchu dynasty. The Hukuang Railway Agreement of 1911 aroused great indignation and an armed revolt in Szechwan, where the commander of the Manchu garrison was murdered by his men, and the Viceroy assassinated.[10] The revolt soon spread to Hankow, and set off the Revolution. In 1905 Sun Yat-sen had formed the T'ung Ming Hui Party, and in 1912 this amalgamated with other revolutionary parties to become the Kuomintang, or Nationalist, Party.

When the war in Europe broke out in August 1914, Britain was still the predominant power in China, and enjoyed the greater part of China's foreign trade. The most visible sign of this predominance was Britain's major role in the coastal and shipping trades of China. This is proof that British policy in the twenty years from 1894 to 1914, although at times seeming passive and quiescent, was far from unsuccessful. In the light of the world situation in the late nineteenth and early twentieth centuries,

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9 Young p.35

10 The Hukuang railways were to include lines from Hankow to Canton and from Hankow into Szechwan. Railway loans were now looked on as the chief tool of foreign encroachment, particularly in Szechwan.

with other Western countries rapidly industrialising, and with tariff barriers being erected in many countries, it was inevitable that there would be growing competition in the China trade. This was the largest potential market in the world remaining to be developed, and so British predominance was bound to come under increasing challenge. The following brief summary of shipping and trade statistics over the period 1894 to 1914 illustrates Britain's success.

In 1894 the number of vessels entering and clearing Chinese ports was 38,063 with a tonnage of 29,622,001. The British share of this was 20,527 vessels of 20,496,347 tons, about fifty four per cent of the total. Germany with a little over eight per cent of the total was next in importance. China's foreign trade passing through the Maritime Customs for that year amounted to Tls. 290,000,000 (approximately £46.5 million), of which the share of the British Empire was Tls. 204,115,145 (approximately £32.5 million), about seventy per cent of the total.[11] Apart from the United Kingdom the principal countries of the British Empire trading with China were India and Hong Kong; and after the British Empire the United States, Russia, and Japan were next in importance.

By 1913 the total foreign trade passing through the Customs was Tls. 1,005,723,851 (approximately £151 million) an increase of almost three and a half times in silver and slightly less in sterling value. The share of the British Empire for this year had increased to £72,018,470; but its percentage had fallen from seventy to forty seven per cent of the total. In 1913, 190,738 vessels entered and cleared from Chinese ports of 93,334,830 tons, of which those under the

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11 BPP 1897 (1803) LXXXIX p. 613

British flag accounted for 32,186 of 38,120,300 tons, or forty one per cent of the total.[12]

In these two decades, therefore, the tonnage of shipping entering and clearing from Chinese ports had increased three point three times, and the British share, although declining from sixty nine to forty one per cent of the total, had increased in absolute terms by about eighty six per cent, from 20,496,347 tons to 38,120,300 tons, an increase of 17,622,953 tons. During this period Japan's share of the total shipping had increased to 22,716 vessels of 25,422,487 tons, about twenty four per cent of the total, and she was now Britain's most formidable rival. From whatever aspect these statistics are considered, they are highly creditable to British commerce and industry, to British diplomacy, and especially to British shipping. It must also be remembered in evaluating Japan's rapid increase in shipping, that Japanese shipping, in contrast with British, was heavily subsidized.

Another aspect of these trade statistics relating to Hong Kong requires clarification. A large proportion (not differentiated in the statistics) of Hong Kong's exports to China were of non Hong Kong and non British origin, and a similar large proportion of her imports came from places other than Britain or the British Empire. Hong Kong's actual trade with China is, therefore, distorted and exaggerated; but much of Hong Kong's trade with Chinese ports went by British ships.

Although Japan loyally complied with Britain's request for assistance in capturing Tsingtao from Germany at the beginning of World War I, it was soon apparent that Japan was only interested in

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12 BPP 1914-16 (5424) LXXI p.571

what advantages she could obtain from the war, or perhaps she took less pains to conceal this than the other Powers. Her famous Twenty One Demands of 18 January 1915 was her first overt move, which - among other gains-gave her control of the valuable Hanyehping Company of Wuhan, with its important coal and iron mines. If accepted in full these demands would have made China a puppet of Japan. By the end of the war most well informed Britons in the Far East were doubtful of the advisability of continuing the Ango-Japanese Alliance, which was due for renewal in 1921. The Alliance, therefore, was abrogated at the Washington Conference of that year, a decision greatly influenced by American and Canadian pressure.

From then Japan became increasingly isolated from the Western Powers, and an undercurrent of increasing hostility between Japan and the Anglo-Saxon powers developed, for which America's immigration policy is also largely to blame. From this time also, Japan exploited any British difficulties which arose from any anti-British moves on the part of the Chinese nationalists, and refused to cooperate on an adequate scale in the defence of Shanghai in 1927. As late as 1937, however, there were still British business men in Shanghai who believed that Japan would control and pacify China in order to make it safe for British trade.

CHAPTER 5

Chungking becomes a treaty port and the Upper Yangtze opened to foreign ships. The Pioneer, Captain Plant and the Szechwan Steam Navigation Company. Naval exploits and surveys on the Upper River. Approximately 1896 - 1917.

After so much diplomatic effort having been expended in opening the Upper Yangtze to steam navigation, and in putting Chungking on the same footing as other treaty ports, it was surprising that the two major British shipping companies already established on the Lower and Middle Yangtze did not immediately build steamers for the Upper Yangtze. This was an instance of history repeating itself, as there had been similar reluctance to extend steamer services into the Middle Yangtze after 1876 and the Chefoo Agreement. From 1891 however, both companies chartered junks for their trade on the Upper Yangtze, and seemed content to expand this trade further before investing in the special type of steamer which would be required for the Upper River, still unsurveyed and uncharted. The Treaty of Shimonoseki which had made steam navigation possible, had also ushered in a period of political uncertainty in China, when rivalry over trading and railway concessions became particularly acute.

As has been described in Chapter 3, the chartered junk system came into operation soon after Chungking was opened to foreign trade in 1890, and through this the China Navigation and the Indo-China Steam Navigation Companies had obtained the major share of trade on the Upper Yangtze. The increase in foreign trade was accelerated after 1895, and in 1896 foreign imports into Chungking increased from £936,369 to £1,154,899, an increase of over twenty three per cent;

and there was a proportionate increase in the number of junks under British charter.[1] There was still only one British non official resident at Chungking, the manager of Archibald Little's Chungking Transport Company, and one French merchant. The British shipping companies which were chartering junks for their Upper River trade continued to be represented by Chinese agents, a matter on which successive British Consuls commented unfavourably. In their opinion Chinese agents working without European supervision often abused their position, and indulged in dubious activities for which they claimed protection from the British Consul. In this way they brought their principals into disrepute with Chinese officials and merchants.

Although steamships did not commence operations on the Upper Yangtze in the years immediately following 1895, increasing foreign interest was shown in Szechwan and Yunnan. Three foreign missions passed through Chungking in 1896; one British, one French, and one Japanese. The first was the Blackburn Mission of textile experts led by Consul Bourne, which went from Chungking to Chengtu, then south through Yunnan to Yunnan-fu, from where it turned east and then down the West River to Hong Kong.[2] The French mission arrived by the Red River route from Haiphong, and split up into two parties at Chungking. One party continued down the Yangtze to Shanghai, and the other returned to Yunnan-fu, and then down the West River to Hong Kong. During this same year consuls from France, Japan, and the United States joined the British Consul at Chungking, and sites for consulates were obtained by the British and French Consuls, the others having to be content with rented houses in the native city.

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1 BPP 1897 (1943) XC p.147

2 BPP 1897 (1943) XC p.157

After much bargaining, however, the Japanese Consul obtained the lease of a large area on the south bank of the river some distance below the city for a Japanese settlement.

Among other foreign travellers who passed through Chungking in the first few years after 1895 were the intrepid English lady, Mrs Bird Bishop, who continued on to the unknown Tibetan border country; the representative of a syndicate of British cotton thread manufacturers; an American newspaper correspondent and his wife making a world tour on bicycles who went on through Yunnan into Burma; and several French mining and railway engineers making surveys of Szechwan and Yunnan.[3]

On 30 September 1896, after a period of very heavy rain, the whole side of a hill half way between Ichang and Chungking slid bodily into the river. The channel was reduced from 250 yards to eighty yards, forming a new rapid of high velocity. Navigation was seriously restricted and sometimes completely stopped, making porterage and additional trackers necessary. So much additional labour was required to keep traffic moving, that within a few days a new village had sprung up on the bank to supply this. At this time the Viceroy of Szechwan was the rabidly anti-foreign Lu, who had made himself notorious during the anti-foreign disturbances of the previous year. Lu prevented foreign assistance being employed to clear the obstruction, and insisted on attempting the clearance with local labour, hand tools, and native gunpowder. Fortunately, he was removed from office later in the year, and the Maritime Customs employed a British engineer who quickly removed the obstruction by blasting.

The British Consul's report from Chungking for 1897 showed

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3 I.B. Bird Bishop, Through the Yangtze Valley and Beyond (New York 1899)

another large increase in the foreign trade of the port, from £2,188,718 in 1896 to £2,845,600, an increase of thirty five per cent, in which all branches of trade shared.[4] This took place against a continuing fall in the value of silver, the tael declining from 3/4d to 3/2d during the year. The biggest increase in imports was in cotton goods, which was of particular importance to British and Indian manufacturers; while in exports the biggest increase was in opium. Kerosene imports also continued to increase rapidly, being 111,575 gallons in 1897 against 28,280 gallons in 1896. There was also increased trade in goods from Tibet and the far west of Szechwan, which included wool, musk, rhubarb, and medicines. The frontier peoples took these to Sun-pan or Tachienlu, twenty four days north west and twenty days due west of Chungking respectively - the latter on the main route to Lhasa. These paid for their considerable imports of tea, and their lesser imports of cotton, silk, and brassware.

This increased trade was reflected in the shipping returns, and in 1897 2,211 chartered junks of 68,444 tons entered and cleared Chungking, of which 1,655 of 49,838 tons were British. As this was only a ten per cent increase in the number of junks for a thirty five per cent increase in cargo, it also reflects a more efficient use of shipping.

Return of Shipping (chartered junks) Chungking 1897

British	1,655 of 49,838 tons	entered & cleared with cargo of	£2,080,233
American	497 of 14,631 tons	entered & cleared with cargo of	308,717
Chinese	59 of 4,245 tons	entered & cleared with cargo of	56,650
Total	2,211 of 68,244 tons	entered & cleared with cargo of	£2,845,600
1896	2,055 of 52,614 tons	entered & cleared with cargo of	£2,188,718

4 BPP 1898 (2059) XCIV p. 585

The increase in trade between Ichang and Chungking brought the perennial problem of likin and transit taxes to the fore. After the Treaty of Shimonoseki the Chinese Government was in urgent need of additional revenue to pay the war indemnity to Japan, and required the provincial governments to supply part of this. This resulted in a great increase in likin taxes, and local collectors were more disinclined than ever to observe the regulations which freed foreign goods - which had paid the import duty and transit tax at the port of entry - from paying the likin taxes.

After many instances of transit passes being ignored, and the likin collectors insisting that likin be paid before allowing these foreign goods past the barriers, strong representations were made at Peking by the British and American Legations. An agreement was eventually reached, and this illegal attempt to defy treaty provisions defeated for a time. The likin problem, however, continued to erupt periodically right to the end of the treaty port era, in spite of repeated attempts to solve it.

The most important development in the last years of the century on the Upper Yangtze was the arrival of the first steamship at Chungking. In March 1898 Archibald Little's Leechuan inaugurated the age of steam when she arrived at Chungking twenty two days out from Ichang, only 155 hours of which were actual steaming time. The Leechuan was a twin screw wooden launch, fifty five feet long with engines of twenty horse power. She was capable of nine knots, and on this historic voyage Little acted as captain and chief engineer. Trackers were required at most of the rapids, and many other difficulties were encountered on the passage, including the supply of suitable fuel. Although the Leechuan was too small to carry cargo, Little employed her towing chartered junks in Chungking harbour and

on the upper reaches of the river for some time, before returning with her to Shanghai in 1899. He was so encouraged by this success that he formed a company to build a larger steamer of commercial size on the Clyde, the famous Pioneer.

Before the Pioneer arrived, however, two British river gunboats, H.M.S. Woodcock and H.M.S. Woodlark, had also made successful passages to Chungking, arriving there on 7 May 1900.[5] Woodcock suffered a severe mishap en route which was repaired by the ship's engineers, and this delayed them for twenty days. The gunboats had prepared for their expedition by sending chartered junks ahead with coal, and establishing coal depots at suitable places. These, and other, preparations, were made by Jardine, Matheson, and Company. As the gunboats only drew two feet six inches of water, their exploit had little commercial significance.

Woodcock and Woodlark were sister ships, built in 1897 for the Nile Expedition. They were 145 feet long, twenty three feet beam, had twin screws working in half tunnels, and were capable of thirteen knots. Woodlark was the slightly better ship of the two, and navigated all the rapids without the help of trackers. After several days at Chungking Woodcock continued another 233 miles to Suifu, at the junction of the Min River with the Yangtze, and this passage of five days included eighty hours actual steaming time. Although, as already explained, this exploit had no direct commercial significance, it obtained valuable information on the Upper Yangtze and was a demonstration of British naval power.

At one of the stopping places on the return passage to Ichang two of Woodcock's officers were stoned in the streets of the town.

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5 Admiralty Papers, 1901, Report on the Navigation of the Upper Yangtze published by the Hydrographic Department, Admiralty, London

The magistrates were told that the culprits must be found and brought on board for punishment by officers of the local Yamen, and in view of the magistrates and local populace. After some delay two men were brought on board and received the specified corporal punishment.

The passage of the Pioneer to Chungking in June 1900, however, was the real break through on the Upper Yangtze, and a fitting culmination to Little's efforts to conquer the Upper Yangtze over the previous twenty odd years. The Pioneer was built for Little's Yangtze Trading Company, the hull at Blackwood and Gordon's shipyard at Port Glasgow to Denny's design, and engines and boilers at Denny's own works at Dumbarton. She was a paddle steamer 182 feet long, sixty feet beam over the paddle boxes, and nine feet six inches deep, with a fully loaded draught of six feet. She could carry fifty tons of cargo and several European passengers, and also tow a flat alongside with another hundred tons of cargo and Chinese deck passengers. The hull and machinery were sent out in sections and assembled at Shanghai, a method which Dennys had developed for the many steamers they built for the Irrawaddy Flotilla Company.[6]

As had happened previously with his Kuling, Little was again prevented from exploiting his enterprise. The Boxer troubles were approaching their climax at this time, and the Royal Navy commandeered the Pioneer to evacuate British nationals from Chungking, and after the troubles were over retained her as headquarters ship for the Yangtze squadron, rechristening her H.M.S. Kinsha. She was armed with two twelve-pounders and eight Maxim machine guns, and continued in naval service until 1921, being a popular ship because of her comfortable accommodation. She finished her days as a 'chicken boat'

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6 Particulars of the Pioneer and other early Upper Yangtze steamers are in Appendix 4.

on the Yangtze estuary.[7] Fortunately Little did not suffer financially, as the Admiralty paid him £35,325 for the Pioneer, which had cost him £14,940 delivered on the Clyde.

The Butterfield and Swire agent at Ichang, an Anglicised Chinese called Wong, was greatly interested in the Pioneer's performance, which he reported to his principals in Shanghai.[8] On her first voyage she left Ichang on the morning of 12 June 1900, and arrived at Chungking on the afternoon of 20 June, her passage of just over eight days including approximately fifty eight hours actual steaming time. She had a small cargo mainly of cotton goods, and her European passengers included Mr and Mrs Little, and Captain Breitang of the German company which was running ships on the Lower Yangtze. The Pioneer was chartered by the Royal Navy on her arrival at Chungking, and on her return trip brought back the foreign community of Chungking, and many of the missionaries from the interior of Szechwan. She carried no cargo on this occasion, except for several boxes of silver and packages of coir matting for protection. She left Chungking on the morning of 3 August and arrived at Ichang just two days later, with the current behind her, her actual steaming time being only twenty hours.

On her second trip, again under Royal Naval charter, the Pioneer left Ichang on 19 August and arrived at Chungking on 25th. On this occasion she carried the British Consul and the Customs staff for Chungking, Mr Little, and ten marines with an officer; but no cargo except for several bags of cement. Mr Little returned after a few days at Chungking, but the Pioneer remained for several months,

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7 Local boat which plied between local ports mainly carrying chickens and other livestock.

8 Swire Archives, Letters from Ichang 20.10.1900 and 14.11.1900

as a guard ship for the skeleton British community there and in Szechwan. When she eventually arrived at Shanghai she was fitted out as the headquarters ship for the Royal Navy's Yangtze Squadron. Mr Wong reported that local opinion was that the Pioneer was underpowered for the Upper Yangtze, and that Captain Breitang said he would be chary of taking up the new German steamer, which was of greater power than the Pioneer. He also reported that Little's shipping business at Ichang was getting an increasing share of down river traffic, including opium cargoes; but not nearly so much up river traffic.

The Shanghai press was enthusiastic over the Pioneer, and Little's achievement. In his report from Chungking on the Pioneer's arrival there, the North China Herald correspondent wrote that "men had been knighted for less than Little had done".[9] It is a matter of regret that Little never received any official recognition for his work in promoting British shipping and trade on the Upper Yangtze and in west China, and one suspects that he may have been something of a thorn in the flesh of British officials in China.

Six months after the Pioneer's passages, the first of many serious accidents on the Upper Yangtze occurred. In December 1900 the new German steamer Suischang ran aground at the Kung Ling Tan, thirty miles above Ichang, and was a total loss. It was said later that Captain Breitang had ignored the advice of his Chinese pilot. The Suischang was bringing back to Chungking many of the missionaries who had been evacuated six months earlier on the Pioneer. Many Chinese lives were lost in this disaster; but Captain Breitang's was the only European life lost. The Red Boats were responsible for saving many lives and were highly commended for their work. This

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9 N.C.H. 11.7.1900

catastrophe, and the memory of the Boxer troubles, partly explain the failure of the British shipping companies to follow up Little's and the Royal Navy's success in navigating the Upper Yangtze. But another, and more important reason, may have been that at this time it became apparent in British commercial circles that the British government was not prepared to support their policy of establishing a quasi-British protectorate in the Yangtze region.[10]

Although not prepared to support such an extreme policy, which would have been in contravention of their declared support of the Open Door policy, the British government was prepared to help British companies interested in railway, mining, and other developments in China. Among these were the Peking Syndicate which was concerned with railway development, and the Yunnan Company with mining. This help was confined to political support, however, and the nearest approach to direct financial help was to Little's Yangtze Trading Company. It submitted a plan to build and operate a fleet of steamships on the Upper Yangtze; but when Little failed to attract sufficient outside backing the government withdrew, and at the end of 1901 the company went into liquidation.

In October 1901 the French gunboat Olry under Lieutenant Hourst, who had previously descended the Niger in a steamship, made a remarkable voyage on the Upper Yangtze.[11] The Olry was piloted by Captain Plant who had commanded the Pioneer on her first two passages between Ichang and Chungking, and who was considered the authority on the Upper Yangtze. After the Olry's voyage Captain Plant was retained by the French Navy to advise it on Upper Yangtze navigational

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10 The international background to the situation is described in detail in Chapter 4.

11 Kemp Tolley, The Yangtze Patrol (1971) p.51-2

problems. Olry was 140 feet long, had twin screws, and was capable of eleven knots. She left Shanghai on 2 October and arrived at Chungking on 13 November. Before tackling the rapids and gorges, Olry unloaded her guns, ammunition, and as much else as possible, and sent this ahead in junks. To improve her steaming against the strong current her coal was mixed with five per cent lubricating oil. After a few days at Chungking the Olry continued to Suifu and established a small base there. As Suifu was not a treaty port, the French were unable to purchase or lease land there; but overcame this difficulty by using land leased by the French Roman Catholic Mission, and this breach of treaty provisions was ignored by the local Chinese authorities.

German, Japanese, and French chartered junks first appeared on the Upper Yangtze in 1901, 1902, and 1903 respectively; but as the table below illustrates, Britain still enjoyed some eighty per cent of the trade, whether calculated in the number of junks, or on the value of their cargoes.

Chartered Junks on the Upper Yangtze 1901 - 03 [12]

Nationality	1901		1902		1903	
	No	£ value	No	£ value	No	£ value
British	1877	2,759,051	1659	2,363,470	1736	2,804,182
Chinese	487	778,335	460	656,961	425	620,561
German	56	52,421	122	93,102	119	107,525
Japanese	nil	nil	99	95,035	324	348,050
French	nil	nil	1	9	7	956
Total	2420	3,589,797	2341	3,208,557	2611	3,851,302

12 BPP 1905 (3290) LXXXVII p.687

The absence of American junks in the above table is because American cargoes were at this time carried either in British or in Chinese junks.

In 1902 Britain signed a Commercial Treaty with China, usually called the Mackay Treaty, after Sir James Mackay the principal British negotiator.[13] In the following year the United States and Japan signed very similar treaties.[14] These treaties allowed foreign steamship owners to erect (at their own expense) appliances at the rapids on the Upper Yangtze for hauling through steamers and junks. The British treaty further provided that "should any practical scheme be proposed for improving the waterways and assisting navigation, without injury to the local people, or cost to the Chinese government, it should be considered by the latter in a friendly spirit". These were important concessions. The most difficult part of the river was the 400 miles between Ichang and Chungking, and if this section could be overcome, powerful light draught steamers could operate past Chungking to Suifu, and then up the Min River to within a hundred miles of Chengtu.

In 1902 a race between the French and the Royal Navies to reach Chengtu took place. H.M.S. Woodcock took the lead by leaving Suifu an hour ahead of Olry and arrived at Kiating first. Chengtu was only another ninety miles beyond Kiating, but here the river was too shallow even for river gunboats drawing less than three feet. Lieutenant Hourst, therefore, transferred his flag and a small cannon to a sixty feet long junk, and in this with three French sailors completed the passage to Chengtu. Both Britain and France had

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13 Later Lord Inchcape, Chairman of the Peninsular and Oriental Steam Navigation Company

14 BPP 1904 (3190) XCVII p. 547

consulates at Chengtu, and at this time these, and the Europeans in the area, were being threatened by local disturbances which had followed the Boxer troubles. Lieutenant Hourst flamboyantly undertook the defence of the two consulates; but sadly his gallant enterprise was not appreciated by his government. The Radical-Socialists had just come to power, and were pursuing not only a pacifist and anti-colonial policy, but - following King Edward's visit to France of the previous year - also a policy of rapprochement with Britain.

These exploits were of no great commercial significance; but in the following year the French Navy carried out detailed surveys of the Upper Yangtze. By 1903 two French survey parties had completed a detailed charting of much of the Upper Yangtze between Ichang and Chungking, and a similar survey of the Chungking-Suifu section. They also carried out a rough survey of the Min River up to Kiating, which they repeated in more detail in 1912-13. In later years the British officers in charge of the Upper River Inspectorate of the Maritime Customs made good use of these surveys.

In spite of this naval activity on the Upper Yangtze, the two major British shipping companies solidly established on the Lower and Middle Yangtze still made no move to establish steamer services above Ichang, although by this time they were extending their services from the Middle Yangtze into the Tungting Lake. Captain Plant, however, while still retained as adviser to the French Navy, had built a large houseboat, the Junie, and with this was trading on the Upper Yangtze. He had his home and headquarters beside the Hsin Tan, and studied the Upper River under all conditions, and became fully convinced of the feasibility of steam navigation. When this eventually came about in 1909, it was a Chinese company, acting under the advice and with the

assistance of Captain Plant which was responsible.

Meanwhile, official British reports from Ichang and Chungking up to the beginning of this regular service continue to be optimistic. They describe a steady, if unspectacular, increase in trade on both the Middle and Upper River, the latter still - of course - by chartered junks. In 1907 steamer tonnage between Hankow and Ichang was 193,180, an increase of 25,000 tons over 1906.[14] There were now six steamers regularly employed between Hankow and Ichang, two British, two Chinese, and two Japanese; accounting for 86,530; 32,779; and 73,559 tons respectively, with the British ships taking some two thirds of the cargo.[15]

There was a slight decrease in foreign imports into Chungking in 1907, mainly in cotton yarn and cotton piece goods, which the Consul attributed to adverse agricultural conditions due to floods. During the year the German gunboat Vaterland and the British gunboat Widgeon made successful passages to Chungking in May and October respectively, and this revived interest in steam navigation.[16] This was the first appearance of a German gunboat on the Upper Yangtze.

In 1908 the foreign trade of Chungking amounted to the record figure of Tls.31,180,995 compared with Tls.27,055,983 for the previous year. Because of the fall in the value of the tael from 3/2d to 2/10d during the year, however, the sterling value fell from £4,294,600 to £4,157,300.[17] Climatic conditions during the year had been good, and as the Consul emphasised, this was only the trade which passed through the Chinese Maritime Customs, and was probably only about twenty per cent of the total trade of the port. Kerosene

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14 BPP 1908 (4103) CX p.521

15 BPP 1908 (4081) CX p.499

16 BPP 1908 (4081) CX.p.499

17 BPP 1909 (4259) XCIII p.121

imports continued their rapid increase, and in 1908 were 313,920 gallons, most now being imported in bulk by the Standard Oil Company of New York. This had brought the price of a four gallon tin down from the previous Tls.3.40 to Tls.2.90. Opium accounted for most of the increase in exports from Chungking, and was because exports were being increased in anticipation of an early ban on the opium trade, the result of the successful anti-opium campaign. This campaign had started in 1906 and was supported by Britain and India, the latter still the source of most of the foreign opium imported into China. In 1907 the Indian government promised to reduce exports of opium to China by ten per cent annually, and this promise was fulfilled, so that no Indian opium was exported to China after 1917.

The progressive opening of the Middle and then the Upper Yangtze to foreign trade after 1861, enabled Szechwan and Yunnan opium to obtain an ever larger share of the domestic market, at the expense of Indian opium, the latter being imported into Shanghai by European or Indian merchants. By 1868 the native variety could undersell the imported at Shanghai by about forty per cent, although its quality was acknowledged to be slightly inferior. By judicious blending of the two, however, a very satisfactory mixture could be obtained. The importance of opium to the development of Shanghai is seldom appreciated. An American economic historian suggests that "opium (through the process of capital accumulation) played as great a role in the rise of Shanghai as did tea or silk, and continued in this long after tea and silk had lost their commanding position."[18]

After the Suischang disaster at the end of 1900, both the Germans and the Japanese entered the Upper Yangtze trade by using chartered junks, as illustrated in the table on page 130. By this time

18 Rhoads Murphey, Key to Modern China (1953) p.131

Japanese ships were well established on the Lower and Middle Yangtze, and German ships on the Lower Yangtze, and in 1900 there were twenty nine steamers running regularly on the Lower and Middle Rivers. Of this number twelve were British, seven Chinese, six Japanese, and four German. Neither the German or Japanese companies had joined the pooling agreement formed by the British and Chinese companies; but no freight war had developed.[19] In spite of the fact that German and Japanese shipping was subsidised, and the China Merchants Steam Navigation Company also assisted in various ways by the Chinese government, British shipping continued to maintain its dominant position. In the coasting trade of Shanghai, in which the joint China Navigation and Indo-China Steam Navigation Companies fleet was over seventy ships, trade was still almost entirely in the hands of the two British companies and the China Merchants Steam Navigation Company.

In 1908 when his contract with the French Navy was terminated, Captain Plant persuaded a group of Szechwan government officials and business men to combine to form a steamship company to trade on the Upper Yangtze. The Szechwan Steam Navigation Company was established with a capital of Tls.200,000, forty per cent of this coming from official sources and the remainder from Chinese merchants, the management of the company being vested in the latter. The company ordered a steamer from Britain and Captain Plant went to Southampton to supervise the building of the company's first ship, the Shutung. This was basically a twin screw tugboat, designed to tow a passenger and cargo flat alongside. She was 115 feet long, and drew three feet of water when fully loaded, and could carry twelve first class

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19 BPP 1902 (2795) CVI p.95

and sixty six deck passengers. The flat could carry sixty tons deadweight, or 120 tons by measurement, of cargo. Passenger fares were fifty and twenty dollars for first and deck passengers respectively up river (approximately £4 and £1.66) and half that down river.[20] The Shutung was sent out in sections and assembled at Shanghai. Although this was a purely Chinese venture, the Shutung was detained at Ichang for several months, on the grounds that steam navigation on the Upper Yangtze would ruin the junk trade. The Viceroy of Hupeh Province was particularly uncompromising, and protracted negotiations were needed before the Shutung was allowed to proceed to Chungking. The Shutung was not a great technical success, but she traded profitably between Ichang and Chungking until 1914, when she was joined by the company's second steamer. In 1909 the Chinese authorities at Chungking took a census of the population, which gave the Chinese population as 120,902, far short of previous estimates of between 200,000 and 300,000; but this was almost certainly a gross underestimate. The foreign population in 1909 was 157 residents representing twenty five foreign firms. Britain had fifty seven residents and seven firms; France twenty one and three; Germany seven and five; Japan forty one and nine; Americans twenty nine and none; and others two and one respectively.

The Shutung and her flat arrived at Ichang in July 1909; but as already described were delayed there by the Viceroy of Hupeh on account of opposition from junkmen and junk owners, and so were only able to make eight round trips between Ichang and Chungking towards the end of the season.[21] During the 1910 season, however, her

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20 BPP 1910 (4489) XCVII p.141

21 BPP 1910 (4489) XCVII p.141

first full season, she made fifteen round trips, about two per month for the eight month season, usually taking six days up river and between two and three down river. There was no sailing in the dark, and nights were spent either at Wanhsien or at safe anchorages chosen by Captain Plant. This was another record year for foreign trade at Chungking, which amounted to £4,349,912, an increase of £122,746 over the previous record of 1909, and the Shutung's profits were already said to have paid off half the cost of the ship.[22] Captain Plant was again in command of the Shutung during the season, when she suffered only one mishap, when on her thirteenth trip she ran aground on a submerged rock near Chungking. By good fortune the newly arrived German gunboat Otter was in the neighbourhood, and Shutung was pulled off without suffering any serious damage. The Shutung's season lasted from April to November, between eight and nine months, depending on the river level in that particular year. Commenting on Shutung's success, the British Consul considered that there could not be any appreciable extension of the season until blasting had reduced the hazards at certain rapids.[23] The same report described the closure of the coal mines recently opened by Little's company only thirty miles from Chungking, because of the obstructionist attitude of the local authorities. This was particularly disappointing in view of Shutung's success, and the probable arrival of other steamers in the near future. Already the Szechwan Steam Navigation Company were talking of ordering a sister ship for the Shutung.

An increase in foreign imports at Ichang in 1911 was due to the arrival there of materials for the Szechwan Railway. The rails for this came from the Hanyang Iron Works at Hankow, but the locomotives

22. BPP 1911 (4678) XC p.727

23 BPP 1910 (4489) XCVII p.141

from the United States, and other machinery from Britain and Germany, while most of the cement came from the Green Island Cement Company of Hong Kong. Good progress was being made on the line, on which some 30,000 men were employed.[24]

The Boxer troubles of 1900 had had comparatively little effect on the Yangtze region as a whole, the Yangtze Viceroys dissociating themselves from the anti-foreign party at Peking.[25] There had been anti-foreign disturbances at Chungking and other places, and British nationals had been evacuated from Chungking. Then towards the end of the troubles British troops had been landed at Shanghai, and naval forces at the mouth of the Yangtze and at the treaty ports strengthened as precautionary measures.

The Revolution of 1911, however, which broke out at Hankow very quickly spread to Szechwan, where - apart from general dissatisfaction with the Manchu dynasty - the Szechwanese were strongly opposed to the government's plans for the nationalisation of the Hankow - Szechwan Railway. Trade prospects for 1911 had been good, and the year had opened well. Soon after mid summer, however, and again after the outbreak of the Revolution in October, the situation deteriorated rapidly. Anarchy broke out in many towns and villages, and wide-spread looting by government troops, brigands, and rebels, became the order of the day. By the last quarter of the year trade was at a standstill, and there seemed little prospect of any revival in the near future. But - as often happened in troubled times - Chinese shippers were reluctant to risk their goods in Chinese vessels, so that British shipping was not so seriously affected as might have been expected. Sometimes, in fact, internal disorder worked to the

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24 BPP 1911 (4631) XC p.689

25 The Viceroys of the provinces of Kiangsu, Hunan, and Hupeh.

advantage of foreign shipping.

It had also been a bad year for mishaps on the Upper Yangtze. Freshets - sudden rises in level due to sudden heavy rainstorms - had been more frequent than usual, and there had been a large increase in junk accidents. The Shutung was commandeered by the government for troop carrying, and had done six fewer round trips than in 1910. The resulting decrease in profits combined with the uncertainty over the future had made the company cancel their order for a second steamer. Then on 17 August the Shutung was swept on the rocks at a rapid and marooned high and dry for six weeks, until providentially carried off on a high tide without suffering any serious damage.

It was, however, symptomatic of the futility of forecasting events in China, that in the following year the Chungking Consul was able to report a considerable increase in foreign trade. The year 1912 had opened badly, with Szechwan in the hands of three rival administrations, and the exchequer bankrupt. With a good harvest and the people anxious to trade, there was a considerable improvement over 1911, to which a slight increase in the value of the tael may have contributed. But it was another bad year for accidents on the Upper River, 140 junks being wrecked or stranded against 192 in 1911. The Shutung, still the only steamer on the Upper River, made twenty five round trips between 24 April and 4 December without mishap. This encouraged the company to renew their order for a second steamer, which they had cancelled after the disappointing results of the previous year.[26] This was to be a bigger and more powerful ship, which would dispense with a flat.

The Revolution caused a change in clothing towards Western

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26 BPP 1913 (5115) LXIX p.477

fashions, and one result of this was that Singers' agent at Chungking found himself unable to satisfy the demand for sewing machines. So far the Chinese, except for a small middle class element, had shown themselves disconcertingly impervious to Western fashions. The only foreign import which had increased substantially was kerosene, and this was largely because of the aggressive and enlightened selling policies of the Standard Oil Company and the Asiatic Petroleum Company. The former designed a cheap and economical kerosene lamp, and the travelling representatives of both companies were said to know more about conditions in the interior of China than any other Europeans. By this time the oil companies had installed large storage tanks at all the major ports on the Yangtze up to Ichang, and bulk cargoes of petroleum products were being taken as far up as Ichang.

In 1910-11, Sir Alexander Hosie, of the China Consular Service, made an exhaustive journey through Szechwan and Yunnan to investigate the progress of the anti-opium campaign. In his up river journey from Shanghai, Hosie reported that opium growing had been almost completely eradicated since 1906.[27] All the land on the river banks previously given over to the opium poppy, was now used for wheat, peas, beans, rape, sugar cane, and vegetables. Previously on the river steamers he had found the whole ship impregnated by the sickly sweet smell of opium, but this was now almost completely absent. He found that many former opium smokers had become opium eaters, and derived as much satisfaction from eating one hundredth of a Chinese ounce as they had previously from smoking one tenth of an ounce.

27 A. Hosie, <u>On the Trail of the Opium Poppy</u> (1914)

After travelling through Szechwan Hosie continued through Yunnan to Yunnan-fu, and found that the French railway from Haiphong to Yunnan-fu had recently been completed. As a city Yunnan-fu did not compare with Chengtu; but now that it could be reached in five days from Hong Kong (half by sea and half by rail) he thought it would soon develop. The line was of metric gauge and well built; but the 280 miles in Chinese territory, through very difficult country, had involved 154 tunnels of varying length, and cost thousands of lives and 160,000,000 francs (approximately £6 million). The great standby of the line was the tin mines near Mengtz; but Hosie thought freights were too high to divert traffic from the Upper Yangtze. After completing the line to Yunnan-fu, the French had offered to continue it to a suitable point on the Upper Yangtze in Szechwan; but the Chinese government declined, and itself employed two American engineers to survey a possible route from Yunna-fu to Suifu.

One unfortunate result of the Revolution, which counter-balanced many beneficial results, was that in the disorders in the succeeding years the anti-opium campaign became less and less effective, and within a few years after 1911 opium was again the major crop in Szechwan and Yunnan. The anti-opium campaign was probably one of the most successful and enlightened acts of the Imperial government in its final years. By 1911 the opium poppy had been almost completely eradicated in the main production areas. In the war lord era which succeeded the Revolution, however, domestic production recommenced, and very soon more than made up for the loss of foreign imports.

The unsettled conditions following the Revolution continued into 1913, when there was serious fighting between government and Kuomintang, or Nationalist troops. During this Chungking changed

hands several times. This naturally affected the prosperity of the province; but only to the extent of halting an increase, rather than causing any actual decrease in trade. Trade statistics for 1913, therefore, were very similar to 1912. The Shutung was detained at Ichang for most of August to prevent her falling into the hands of the Nationalists; but in spite of this made twenty six round trips between Ichang and Chungking, and had another profitable year. Her sister ship was expected the following spring, and was to be followed by three smaller steamers of the Szechwan Railway Company, two of which were to run between Ichang and Chungking, and the third between Chungking and Suifu. Trackers' wages had nearly doubled during the year, owing to scarcity, as many trackers found brigandage or military service more profitable.[28]

In 1913 the need for a River Inspector for the Upper River was filled when the Maritime Customs appointed Captain Plant to this post, Captain Plant resigning from his position as marine superintendent of the Szechwan Steam Navigation Company to take it. It was generally acknowledged that the success of the Shutung was due to Captain Plant, as much to his ability to win co-operation from his Chinese associates, as to technical ability. Captain Plant continued as River Inspector for the Upper River until his death in Hong Kong in 1921. After his death a memorial was erected to his memory on a hill behind his home at the Hsin Tan. The establishment of the River Inspectorate for the Upper Yangtze by the Chinese Maritime Customs, was an indication that expansion of steam navigation was confidently expected. By this time much of the Upper River had been surveyed and charted by the French and the Royal Navies, with some assistance from the United States

28 BPP 1914 (5378) XC p.527

Navy, and the Customs had extended its pilotage service to the Upper River.

Official reports from Ichang and Chungking at the end of 1915 attribute a slight decrease in foreign trade to the war in Europe, but there had been an increase in steamers. This was due to the arrival of the Szechwan Steam Navigation Company's second steamer, Shuhun, and to the three small steamers of the Szechwan Railway Company.[29] The Shuhun was a paddle steamer built at Yarrows on the Clyde, larger and more powerful than the Shutung, and able to navigate the rapids without the help of trackers. She could accommodate all her cargo and passengers without towing a flat. In 1914 the two steamers made a profit of £13,645, a creditable performance in the disturbed conditions of the time. So far it seemed that the junk trade had not been adversely affected by the steamers, no doubt because of some absolute increase in trade on the Upper River.

One immediate result of the war in Europe was the elimination of German ships from the coasts and rivers of China. German ships in Chinese ports when the war broke out were immobilised, and then when China entered the war on the side of the Allies in 1917, these ships - totalling about 47,000 tons - were handed over to China. The disaster to the Suischang, in 1900 had discouraged German attempts to operate on the Upper Yangtze, and German shipping there had continued to be confined to chartered junks. The German threat to British shipping on the Yangtze, therefore, which in the late 1890s and early 1900s had appeared so formidable, never materialised. When war broke out in August 1914 there were still only the four or five

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28 BPP 1914 (5378) XC p 527

ships which had been there over ten years earlier.

As trade and shipping increased on the Upper Yangtze, import and export cargoes increased as much in variety as in volume. Until the first World War cotton yarn and cotton piece goods continued to be India and Britain's main exports to Szechwan, in the latter years losing some ground to imports from Japan and from the newly established textile mills in Shanghai.[30] Kerosene imports continued their rapid increase, still of mainly American origin; but latterly increasing amounts came from Indonesia and Russia. The two foreign oil companies operating in China, the Standard Oil Company of New York and the Asiatic Petroleum Company, the Far Eastern subsidiary of Shell, were now among the major foreign enterprises in China. Socony and the A.P.C. were almost as much household words on the China coast as Jardines or B. and S. Within a few years the distinction of operating the first steamer service on the Upper Yangtze would fall to the A.P.C.

Although opium had for long been an important export from Szechwan and Yunnan, it was not until the early 1900s that it was carried in foreign chartered junks, and so came within the cognizance of the Chinese Maritime Customs. The decline in opium exports after 1906, due to the anti-opium campaign was short lived, although the anti-opium policy was still official policy after the Revolution. When exports resumed in the war lord era, therefore, opium was contraband cargo, and the foreign shipping companies did their best to dissociate themselves from it. Silk continued to be an important export from Szechwan; but with the increase in shipping facilities was joined by other goods which had previously been unimportant,

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30 The Treaty of Shimonoseki allowed foreigners to import machinery and establish industries in the treaty ports.

including hides and skins, wool, musk, rhubarb, pigs' bristles, and vegetable oils. Among the latter was t'ung or wood oil, a valuable oil derived from the t'ung tree. This oil was extracted from the seeds by wooden presses and then boiled. Among its many uses were the caulking and oiling of junks, as a basic ingredient in high quality paints and varnishes, and in water proof papers. G.R.G. Worcester remarks that in spite of Marco Polo's flattering references to the excellence of t'ung oil, it did not become known in the West until 1816, and the first shipment to the United States was not made until 1875.[31] The export trade in this oil, however, did not develop to any great extent until after 1919, when it became one of Szechwan's most important exports, some seventy five per cent of these going to the United States.

A more exotic product of Szechwan was insect white wax, obtained from a tree more common in central Szechwan than anywhere else in the world. This wax had a much higher melting point than tallow, 160°F against 95°F, and was in great demand for good quality candles, among other things. It aroused great interest among the early British merchants at Shanghai, and in 1884 Sir Alexander Hosie made a journey through central Szechwan to collect information and specimens of the tree and the wax to send to Kew Gardens.[32] In the event the export of this never became of any great importance, perhaps because of the increasing availability and cheapness of kerosene.

Some of the products from west Szechwan and the Tibetan border region, hides and skins and wool, for instance, started their long journey to the outside world by being packed in bundles and floated

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31 G.R.G. Worcester, Sail and Sweep in China (1966) p.58-9

32 BPP 1884-85 (4247) LXXX p.365

down the headwaters of small streams which led eventually to a navigable tributary of the Yangtze, Kialing, or Min Rivers.

By 1917 the only steamers operating on the Upper Yangtze were still only the five Chinese owned steamers, the Shutung and Shuhun of the Szechwan Steam Navigation Company, and the smaller Chingyi, Lee-chuan and Ta-chuan of the Szechwan Railway Company. The latter had been built in Shanghai. Although the China Navigation Company and the Indo-China Steam Navigation Company had still not built steamers for the Upper Yangtze, their trade there by chartered junks was steadily increasing. The Revolution and the disturbed conditions which followed, and then the war in Europe must be held at least partly responsible for this delay. By this time British railway and mining engineers were active in both Szechwan and Yunnan.

By this time too, the wealth and variety of west China's fauna and flora had become widely known in the West. In the early years of the twentieth century several famous British naturalists and scientists made intensive explorations in Szechwan and Yunnan, among them George Forrest, Kingdon Ward, and E.H. Wilson. The work of these men, often under dangerous and difficult conditions, greatly enriched the gardens and parks of Europe and North America. Forrest, probably the best known, made seven expeditions between 1904 and 1932, and died near the Yunnan - Burma border in 1932. Most of his work was carried out in the area now known as Sikang, which embraces Szechwan and Yunnan.[33]

One of the area's most exotic fauna, the giant panda, has probably received more publicity in the West in recent years than anything else in the whole of west China. The giant panda was first

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33 E.H.M. Cox, The Journeys and Plant Explorations of George Forrest (1952)

seen by a European missionary in 1868, and not seen by Europeans again until 1928 when Kermit and Theodore Roosevelt shot an adult male. Then in 1936 an American lady captured one which was sent to the Bronx Zoo, and was the first to be kept in captivity. A year later Mr Floyd Tangier-Smith captured two, one of which died in Shanghai en route to the London Zoo. These pandas are extremely rare animals, which live in the China - Tibetan border country in western Szechwan, at an altitude of over 10,000 feet, and the gift of one from Chairman Mao is the most prestigious gift a Western statesman can aspire to.

Chungking was still almost a mediaeval city when World War I broke out in 1914, and had changed very little in the quarter century it had been open to foreign trade. The streets were too narrow even for the wheelbarrows which were in use in the neighbouring countryside. Transport of goods was by carriers using shoulder poles, while affluent citizens travelled about the city by sedan chair. The city occupied an unique site. It was on a rocky peninsula at the junction of the Yangtze and Kialing Rivers, where the Yangtze has a seasonal rise and fall of nearly ninety feet, and at 1,400 miles from the sea was in the very heart of China. The foreshore rises and falls with the river, and in the winter season of low water the city is reached by innumerable flights of broad steps leading up from the river. At Chungking the Yangtze is nearly a mile wide, much wider than the Thames at London Bridge.

Until 1934 the city's water supply came from the river, and was carried up these steps by an army of coolies. Transport between river and city provided employment for thousands of coolies and ponies, the latter the famous Szechwan mountain ponies. In spite of its several flattering and flowery names, such as "River Perfection City", European visitors to Chungking were united in describing it as

malodorous and filthy, and when on his way there in 1861 Blakiston related how the smell of the city assailed his nostrils many miles downstream.

The population of Chungking when the first World War broke out was probably about 900,000; but Chinese population statistics at that time were notoriously inaccurate. Only some 160 were foreigners, and this included sixty British, forty Japanese, thirty Americans, twenty two French and eight Germans. The most important members of the British community were the members of the Consular and Maritime Customs staffs. Butterfield and Swire and Jardines were still represented by Chinese agents; but the British community had been reinforced by representatives for the Asiatic Petroleum Company and the American by those of the Standard Oil Company. The several hundred foreign missionaries - mostly American, British and French - were scattered about the interior of Szechwan, and came within the jurisdiction of their Consul Generals at Chengtu, the capital.

Although its origins went back to semi-mythical times around 2,200 B.C., Chungking was still comparatively unknown to the outside world. Within twenty odd years, however, it was to become one of the most famous cities in the world, only to return again to comparative obscurity after the Communist victory in 1949.

CHAPTER 6

Opening of the West River to foreign trade and shipping as an alternative approach to west China, and an aspect of Anglo-French rivalry. Disappointing results from this and from Pakhoi becoming a treaty port. The 'Yunnan Myth' and attitude of A.R. Colquhoun and others to this. Approximately 1896 - 1917.

In many respects, commercial, physical, and political, the West River is a smaller edition of the Yangtze. Like the latter, it is the centre of a large network of waterways, covering four provinces of south and west China, and in most it is the main means of communication. Like the Yangtze, its upper reaches contain gorges and rapids, and it is subject to large and sudden rises and falls. Politically too, the provinces around the West River have, until recent times, been very loosely under central government control. And on the West River, as on the Yangtze, British gunboats played a large part in exploratory and survey work.

The West River, known to the Chinese as the Si Kiang or Long River, is over 800 miles long, and rises in Yunnan near Yunnan-fu, now known as Kunming. It flows through the province from north west to south east, and then continues east and slightly south through Kwangsi and Kwangtung to enter its estuary near Canton, the famous Pearl River Estuary. In its lower reaches it was known variously as the Pearl, Si Kiang, or West River, and here the birth of European maritime trade with China took place in the sixteenth century. This was the first of China's waterways to be disturbed by European keels, and British influence originated here when the East India Company

established a permanent factory at Canton in 1699.

The opening of the West River above Canton to foreign trade was directly related to two aspects of Anglo-Chinese policy. One was the belief by British merchants, especially those of Hong Kong and Canton, in the wealth of China's south western provinces; the other the rivalry between Britain and France to reach and exploit this wealth by trade routes under their own control or influence.

In the late nineteenth century Yunnan was considered in many circles as the wealthiest province in the south west, if not in the whole of China. From mid century there grew up what was known as the 'Yunnan Myth', the belief that Yunnan was a region of almost untold wealth, and a vast potential market for European goods, for which in return it would supply tea, silk, petroleum, and various valuable metals. Even before mid century, this belief was strong in political circles in India, Indo-China, and Burma; and as related earlier, it was one motive for the British advance up the Irrawaddy in Burma.

Of the other south western provinces, Kwangtung - the hinterland of Hong Kong and Canton - was in the British sphere of influence; Kweichow was known to be comparatively poor and sparsely populated; and Kwangsi's main importance lay in that it was on the route between Hong Kong, Canton, and Yunnan. Szechwan, which was to prove the richest province of all, was not very highly regarded at first. Later, as increasing knowledge made it evident that Yunnan had been greatly overrated, Szechwan began to attract more attention; but from the British in Shanghai rather than in Hong Kong, Burma or India.

The French in Indo-China also believed in the 'Yunnan Myth' and

French imperialists like Admiral de la Grandiere, Francis Garnier, Doudart de Lagrée, and Jean Dubuis, contributed their quota of fables. The French, however had no publicist of the stature of A.R. Colquhoun, who in 1880 travelled from Canton through Kwangtung, Kwangsi, and Yunnan to Burma.[1] His journey was largely financed by the Glasgow Chamber of Commerce. Colquhoun reported that Yunnan was the richest and most populous province in China, and that only lack of adequate communications hindered a great development of trade. Colquhoun was an irrepressible optimist, a railway enthusiast, and publicist of extraordinary ability. Although he made no real attempt to investigate the resources of Yunnan he wrote, "there can be no doubt of the mineral wealth of this province. Some millions of people are waiting to be clothed with British piece goods, and to receive the manufactures of England. In return they will give us the finest tea drunk in China, cotton, silk, and petroleum, and the most useful and precious metals to an extent which will be enormous when European skill shall effect this development."[2] Twenty years later Colquhoun was still proclaiming the vast potential wealth of Yunnan, although by this time the myth had begun to fade.

When British merchants attempted to develop the China trade outside the limits and restrictions of the Canton system, it was Shanghai and other ports north of Canton which attracted them first. Not until after the mid nineteenth century, and Hong Kong had been well established as the entrêpot for south China, was much attention paid to the hinterland of Canton around the West River. What little

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1 Archibald Ross Colquhoun was born at sea off the Cape of Good Hope in 1858, and joined the Indian Public Works Department as a civil engineer in 1878. His journey from Canton to Bhamo in 1881-82 was to explore the best route for a railway. He later became Times correspondent for the Far East, and travelled extensively throughout the Far East and in other parts of the world.

2 A.R. Colquhoun, Across Chryse (1883) p.283

was known of this region was confined to the Pei (North) River, which entered the West River just above Canton. This river led to the Cheiling and Meiling Passes, and from them by the Kin and Siang Rivers to the Yangtze; the former 150 miles above and the latter 150 miles below Hankow. It was by these routes that early European travellers, including the Portuguese and the Jesuits, had gone to Peking from the sixteenth century onwards. The embassies of Lord Macartney and Lord Amherst travelled to Peking by the Peiho River and Tientsin; but returned by the Grand Canal, the Yangtze, and the Meiling Pass to Canton. The ruins of jetties, rest houses, and temples along this route testify to its importance in early times.

The first important step to develop trade with south west China was taken in 1876, when Pakhoi in south west Kwangtung was made a treaty port by the terms of the Chefoo Agreement. This Agreement also opened the Middle Yangtze to foreign trade and shipping, and made Ichang at the head of the Middle Yangtze a treaty port. With the Irrawaddy Flotilla Company extending its services about this time to Bhamo in Upper Burma, Britain was now approaching Szechwan and Yunnan from three directions - from the west by the Irrawaddy, the east by the Yangtze, and from the south by Pakhoi.

Excepting Canton, Nanning was the most important trade centre in the provinces of Kwangtung, Kwangsi, Kweichow, and southern Yunnan. Nanning, however, was nearly six hundred miles up the West River, and nearly five hundred miles above Canton, and the navigability of the river above Canton was unknown. Nanning, however, was only a little over one hundred miles overland from Pakhoi, and this route avoided the numerous likin stations on the West River above Canton.

By Chinese standards Pakhoi was a comparatively new port, having been founded about 1820. It was little better than a nest

of pirates at first; but after a few years began to grow rapidly, and in its pre-treaty port era reached its highest point of prosperity during the Taiping Rebellion of the 50s and early 60s. It was a convenient place to import foreign goods from Hong Kong and Macao, and being in such a remote corner of the country was free from many of the taxes and impositions which were very heavy on goods going inland from Canton. During the Taiping Rebellion the West River was closed by the rebels, and there were also political troubles in Tongking. At this time goods through Pakhoi spread all through the provinces of Kwangsi, Kweichow, Yunnan, and even into distant Szechwan. After the suppression of the Taiping Rebellion, however, customs and likin stations were established at Pakhoi, and dealt a blow to the port from which it never fully recovered. The Szechwan trade could never have become really important; but what little chance of development it had was killed when Hankow and the Lower Yangtze was opened to foreign trade in 1861. A few years later when Tongking came under French control, more trade was diverted from Pakhoi, so that when it became a treaty port in 1876, seventy five per cent of goods imported went to Kwangsi, most of the rest was retained for Kwangtung, so that very little went further inland to Yunnan or elsewhere.

The first reports of the British Consuls from Pakhoi were not over optimistic, pointing out the many obstacles to any considerable British trade. The local merchants were opposed to foreigners or foreign steamers - something which always seems to surprise British Consuls - and foreign trade between Hong Kong, Macao, and Pakhoi was handled efficiently by a fleet of well built and well manned junks of some 200 tons which could make four round trips between these ports in a year. The chief local merchants had their headquarters in Macao, and agents or branches in Hong Kong. Altogether there seemed

little need locally for foreign merchants or foreign ships, and during its first nine months as a treaty port only four small foreign steamers called at Pakhoi. They imported only about £900 of cotton piece goods, £70 of old iron, and five chests of opium, and exported only £700 of sugar and £400 of grain, the latter to Hoihow in Hainan Island. Pakhoi's situation between Hong Kong and Haiphong, however, made the Consul optimistic over the long term future of the steamship trade.[3]

By 1881 when it had been a treaty port for five years the value of Pakhoi's foreign trade was £510,432, and steamships using the port had increased to 218 vessels of 83,642 tons. The British flag accounted for 110 vessels of 37,262 tons, other foreign flags for eighty vessels of 36,814 tons, and Chinese vessels for the remaining twenty eight of 8,566 tons.[4] In absolute terms, however, these amounts were insignificant when compared with the expectations of those who had advocated Pakhoi becoming a treaty port, and the British Consuls continued to be pessimistic over the long term future of British trade and shipping at the port.

These pessimistic forecasts appeared to be confounded when for a few years in the late 1880s and early 1890s the foreign trade of Pakhoi amounted to over £1,000,000.[5] The peak year was 1889, when the total trade of the port was £1,094,292, after which it declined steadily.[6] By this time, however, British shipping had completely

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3 BPP 1878 (c.2109) LXXV p.120

4 BPP 1882 (3348) LXXII p.1

5 In any assessment of shipping and trade statistics it must be remembered that a certain proportion of the trade did not come within the jurisdiction of the Chinese Maritime Customs, especially the junk trade. In later years as the Customs became more efficient, much of the increase in trade was due to an increasing proportion coming within the jurisdiction of the Customs.

6 BPP 1890 (c.5898) LXXIV p.503

disappeared from the scene, and the steamship trade was confined to French, German, and Danish vessels, plus a few Chinese.

For a few years the China Navigation Company's Soochow had been employed between Hong Kong and Pakhoi; but her wreck in the Hainan Straits in 1890 removed the last British flag ship from the Pakhoi trade. There were several reasons for the lack of interest which the established British shipping companies displayed in the Pakhoi trade. Most of the British China coasters were too large for this trade, and the small French, German, and Danish ships employed in the trade had running costs far below those of the British coasters. The main reason, however, must have been a widespread disbelief by the shipping companies that Pakhoi had any great commercial future. In Pakhoi's final years as a treaty port between 1937-39, during the Sino-Japanese War, Pakhoi recovered much of its early importance when it became a major supply port for the Chinese in west China. At this time British shipping played an important role.

British merchants were equally reluctant to establish themselves at Pakhoi, although a great proportion of the foreign goods imported into Pakhoi from Hong Kong were either of British or Indian origin, cotton yarn and cotton piece goods. In his report for 1893 the British Consul regretfully noted the death of the only British merchant in the port. In that year the total value of the foreign trade was £823,000, and forecasts for the future were more pessimistic than ever.[7] It was threatened from the east and west, from the former by the prospective opening of the West River above Canton to foreign shipping and trade, and from the latter by the development of the Red River route from Haiphong, and the prospect of a railway

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7 BPP 1894 (c.7293) LXXXV p.417

from Haiphong to Yunnan-fu. French influence had already in 1888 resulted in Lungchow and Mengtz in Kwangsi and Yunnan respectively being made treaty ports, inland treaty ports which came within the jurisdiction of the Chinese Maritime Customs; and Mengtz especially was successful in diverting most Yunnan trade from Pakhoi to the Red River route.

All the British Consuls were agreed that Pakhoi's only hope of achieving any great importance as a port for south west China lay in the proposed railway to Nanning. In the great international scramble for railway concessions in the early 1890s, Britain obtained a concession to build such a railway; but like so many other similar schemes of that time, this never even reached the drawing board. Pakhoi, in fact, was one of many treaty ports on the China coast which failed to come up to expectations. Undoubtedly, one of the reasons for Britain persuading China to open it to foreign trade was in response to French moves to develop a trade route from Haiphong and the Red River into south west China. It was, however, an unsuccessful attempt, and the Times reported in 1891 "As a consequence of the opening of the Song-ca, or Red River, Yunnan trade has almost vanished from the port of Pakhoi, and the British Consul at that port declares that before long the whole import and export trade of western Kwangsi and Yunnan will follow the new route".[8]

The opening of the West River to foreign trade and shipping was also related to Anglo-French rivalry in south west China. Britain's success in this was some measure of compensation for German, Japanese, and Russian concessions in north China. Other significant moves in the Anglo-French chessboard of south west China

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8 The Times 21.5.1891

at the end of the nineteenth century, were the French lease of Kwangchowan Bay in Kwangtung, China's agreement to the non-alienation of the provinces of Kwangtung, Kwangsi, and Yunnan (as compensation for Britain getting China's agreement to the non-alienation of the Yangtze region), her concession to build a railway from Tongking to Yunnan-fu, and from Lungchow to Nanning. It was also rumoured that France was demanding a port on the island of Hainan. Britain's response, in addition to the opening of the West River and the lease of the New Territories in Kowloon (the hinterland of Hong Kong), was a concession to build a railway from Pakhoi to Nanning, and to extend the Burma railway into Yunnan. In the event neither of these railways was built. The French successfully opposed the Pakhoi - Nanning project, and the Burma extension (which Lord Curzon branded as so much waste paper) was abandoned when surveys proved that it would be unable to compete with the French line from Haiphong. After that, Britain concentrated on the upper reaches of the Yangtze and of the West River, as her best means of developing trade with south and west China.

Wuchow became a treaty port in 1897, and the 180 miles of the West River between Canton and Wuchow opened to foreign shipping. At the same time Kumchuk, Shuihing, and Taksang, between Canton and Wuchow became ports of call. Then between 1902 and 1904 Paktokow, Lotinghow, Dosing, and Yunghi, were also made ports of call. Finally in 1907 Nanning, 326 miles by river from Wuchow, was made a treaty port, the French managing to postpone this for nearly ten years. This meant that the West River was open to foreign trade for nearly 600 miles from Hong Kong, and 520 from Canton. In 1907 Nanning had a population of about 100,000, and the provincial government of

Kwangsi, which at that time was spending six months of the year in Kweilin, the capital, and the other six months in Nanning, was considering moving the capital permanently to Nanning. This was finally done in 1912.

A British Consul was appointed to Wuchow, and his jurisdiction later extended to Nanning, and a customs house was opened in each port. Ships drawing up to thirteen feet could reach Wuchow in the high water season; but in the low water season ships drawing only about half that. Above Wuchow the river becomes very narrow in places, and passes over rapids and through gorges, and up river junks often required trackers to help them over the difficult sections, as on the Upper Yangtze. Apart from junks, only motor launches and motor boats drawing a maximum of four feet could operate above Wuchow to Nanning and beyond, so that Wuchow became a transhipment port for Nanning and further inland. Under very favourable conditions of high water ships drawing nearly six feet could ascend to Nanning, as British river gunboats were to prove some twenty years after the river was opened.

Trade developed slowly at Wuchow, and in 1898, its first full year as a treaty port, was only £602,115, and by 1905 had only increased to £1,682,880.[9] By 1912, seven years later it had increased to £1,873,332 at Wuchow and £1,073,391 at Nanning, a total of £2,756,271 for the two ports.[10] Cotton goods, mainly Indian cotton yarn and British shirtings formed the major part of the imports. According to the British Consul's Report of the following year, there were then seventy four foreign residents in Wuchow, of whom forty three were British and eighteen American; while Nanning had forty

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9 BPP 1906 (3588) CXXIII p.313

10 BPP 1913 (5113) LXIX p.463

five foreign residents, of whom thirty were French, and most of the rest British.[11] By this time it was abundantly clear that the West River was not going to be another Yangtze, and the major British shipping companies established on the coast and on the Yangtze showed little interest in trade on the West River above Canton. Although not proving another Yangtze, the West River was a much more promising field for development than Pakhoi, and many Chinese merchants at Pakhoi showed their belief in this by transferring their activities from Pakhoi to Wuchow. Trade at Pakhoi continued to decline, and after the opening of the West River never amounted to more than £500,000 per year.

Shipping on the West River, apart from junks, consisted of small steamers and motor launches based on Hong Kong or Canton, half under the British and half under the Chinese flag. British flag ships were owned and managed by Hong Kong Chinese, and usually carried a British master and chief engineer. There was a negligible amount of American and French shipping on the river. In 1912, for instance, out of a total tonnage of 678,361 entering and leaving Wuchow, the British share was 343,281 tons, just over fifty per cent.[12]

West River steamers were much smaller than Middle Yangtze, or even Upper Yangtze steamers, their average tonnage being about 500. In 1910, for instance, there were four British steamers on the Hong Kong - Wuchow service, of whom the largest was 655 tons and the smallest 229 tons. There were also four Chinese steamers on this service, the largest of 299 and the smallest of 195 tons. Five days were taken on the round trip. On the Canton - Wuchow service there

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11 BPP 1914 (5307) XC p.327

12 BPP 1913 (5113) LXIX p.463

were two British, three Chinese, and one French steamer, of approximately similar tonnage, and here four days was taken on the round trip. Practically all these steamers were built in Hong Kong.

Above Wuchow junks, some under charter to the steamship companies operating to Wuchow, motor boats and launches continued up river to Nanning; and motor boats and launches were often used to tow junks on this part of the river and higher up. The largest vessel to operate regularly on this part of the river was the motor launch Tien Kong, built at Hong Kong, which was seventy feet long and fourteen feet beam, and had a fully loaded draught of four feet six inches. The Tien Kong had a forty five horse power engine, and could carry fifty tons of cargo and fifty passengers at nine knots up river.[13]

The passenger trade became of considerable importance on the West River as soon as it was opened to foreign trade. Not only were passages on foreign flag steamships and launches cheaper and faster compared with junks; but they were much safer. The opening of the river had not improved law and order, and the river was infested by bandits and pirates. The increase of French control in neighbouring Tongking had the effect of driving many bandits back to their own country. In 1897, its first year as a treaty port, 13,284 Chinese passengers arrived at Wuchow by steamer, and 9,530 left.[14] Two years later the number entering and leaving the port had increased to 100,952, some of whom travelled in junks towed by foreign flag steam launches.[15] In this year out of the total of 3,014 vessels entering and leaving Wuchow Britain had 1,023 including sail and steamships, whose tonnage was 136,891 out of the total of 186,732.

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13 BPP 1907 (3853) LXXVIII p.595

14 BPP 1898 (2168) XCIV p.813

15 BPP 1900 (2432) XCII p.577

Of the remainder all was Chinese except for a very small amount of American and Portuguese shipping.[16]

Piracy had always been endemic on the West River and its estuary, and from the earliest days of foreign trade with Canton had been a serious problem for foreign ships. After Hong Kong became a British colony in 1842, British warships had engaged in anti-piracy operations on the estuary between Hong Kong and Canton, and on the coast north of Hong Kong. The Treaty of Tientsin of 1858, however, was the first agreement between Britain and China in which piracy and the rights of British warships in Chinese waters were specifically mentioned. This treaty allowed British warships to visit all the ports of China when in pursuit of pirates; but in actual practice until the end of the nineteenth century the Royal Navy had confined regular patrols to the coast between Hong Kong and Shanghai, the Lower Yangtze up to Hankow, and the West River estuary between Hong Kong and Canton.[17] At the end of the nineteenth century, however, with British merchant ships operating six hundred miles above Hankow on the Yangtze, and two hundred and fifty miles above Hong Kong on the West River, a fleet of small shallow draught river gunboats was built specially for those rivers. Nine ships were built of from eighty five to 180 tons, six for the Yangtze and three for the West River. These ships were built in sections, sent to Hong Kong in crates, and assembled in the naval dockyard there. At first the West River gunboats only operated on the estuary between Hong Kong and Canton; but later they extended their patrols to Wuchow, and even made occasional trips right up to Nanning.

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16 BPP 1900 92432) XCII p.577

17 Article 52 of the Treaty of Tientsin stipulated that "British ships of war, coming for no hostile purpose, or being engaged in the pursuit of pirates, shall be at liberty to visit all ports within the dimensions of the Empire of China".

In spite of the presence of the Royal Navy, piracy continued to be a menace on the West River. In 1905 four British launches were held up and plundered, and in 1912 an attempted piracy of the British steamer Namoa was only frustrated by the timely arrival of H.M.S. Moorhen and H.M.S. Robin. Then in 1913 and again in 1914 the British Tai On was pirated. On the first occasion one Chinese passenger and one Chinese sailor were killed, and $25,000 stolen. The second, however, was one of the most tragic piracies of modern times, when the ship was burned, and over a hundred Chinese burned to death, and another hundred drowned.[18]

There was an increase in piracy all along the China coast in the early 1920s. This was caused by the unsettled conditions of the war lord era, and also by the trade slump and consequent unemployment among Chinese seamen - a versatile breed. Several piracies took place in the estuary of the West River, and several on the river above Canton. In 1922 the British Sui An was pirated between Hong Kong and Macao, and in 1924 the Chinese Tailu between Hong Kong and Kongmoon. This increased danger of piracy, and the small but steady increase in trade on the West River, led to the West River Flotilla being increased to five ships at this time. These were the Cicala, Moth, and Tarantula, of the 'Insect' class, and the Moorhen and Robin of the 'Bird' class. The flotilla was commanded by a senior naval officer who flew his flag on the Tarantula, and who came under the overall command of the Commander in Chief at Hong Kong, which was the flotilla's headquarters.

The West River gunboats made some notable voyages on the upper

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18 Particulars of these and the following piracies from A.G.Course, Pirates of the Eastern Seas (1966)

reaches of the river above Wuchow, the first by the Moorhen in 1913. The main obstacle between Wuchow and Nanning was the Great Rapid which was about half way between the two ports. This actually consisted of three separate rapids, of which only the second presented any real difficulty. In the high water season these rapids presented little real difficulty to high powered steamers. The commander of the Moorhen reported that in the low water season of 1913 with his ship steaming at thirteen knots and drawing three feet, he made very little headway at this place.[19] The Moorhen repeated this passage in 1919 at the height of the high water season, and reported encountering no difficult rapids, although parts of the river were very narrow. In June of that same year the Tarantula found a speed between ten and eleven knots sufficient to negotiate all the rapids. Conditions on the Upper River varied greatly from year to year, and in June 1935 the Cicala drawing five feet three inches passed up the Great Rapid without any difficulty.

All the above passages were undertaken during favourable conditions, and so were of limited commercial importance. Their main purpose was to show the flag, and reassure foreign residents and Chinese alike of the Royal Navy's near presence during the troubled inter war period. Wuchow was generally accepted as the head of navigation, and cargo for Nanning and other places further up, was transhipped into junks, motor boats, or motor launches there.

With the river above Wuchow only navigable for craft carrying some fifty or so tons of cargo, and above Nanning even less than this, the hope of attracting Yunnan trade to the West River in any

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19 Particulars of these gunboat passages have come from The China Sea Pilot, Vol. 1, 3rd Edition 1964, published by the Hydrographer of the Royal Navy.

considerable amount was not realised. In 1906 the British Consul at Wuchow estimated that only about seventeen and a half per cent (£137,224 out of £744,758) of goods forwarded up river from Wuchow went to Yunnan; seventy per cent going to Kweichow, and the remainder to Hunan, Kwangsi, and Kwangtung.[20] It is unlikely that this proportion would increase in later years, as apart from the disturbances of the war lord years which particularly affected the West River regions, the French railway from Haiphong reached Yunnan-fu in 1910, and soon after that regular steamer services were operating on the Upper Yangtze.

At about the same time as the West River was opened to foreign trade, three towns in West Yunnan were made treaty ports - Teng Yueh (formerly Momein), Mengtz, and Szemao. West Yunnan was then isolated from the main commercial trade routes of the province. The northern part came within the Yangtze system of waterways and the east looked to roads and waterways leading south to Indo-China and Canton. West Yunnan, however, bordered on Burma, and despite the failure of British attempts to develop a major trade route from Upper Burma into Yunnan, this part of Yunnan had always been dependent on Burma for many of its imports and exports. Talifu was the commercial centre of west Yunnan, and Teng Yueh, the most important of the three new treaty ports, was about half way along the 250 mile route between Bhamo and Talifu. Trade along this route had continued in the age old manner by mules, pack horses, and porters, in the traditional staples of raw cotton and Indian cotton yarn going east, and tea, silk, chinaware and opium going west. The Chinese Maritime Customs opened custom houses at each of the new treaty ports; but only one - Teng Yueh - became the

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20 BPP 1907 (3853) LXXXVIII p.595

seat of a British Consul, the Teng Yueh consul being given jurisdiction over Mengtz and Szemao.

The opening of these inland ports has been comparatively neglected by historians, paradoxical as it was to have treaty ports several days journey from navigable water. Mengtz, a short distance south of Yunnan-fu, was near the long established tin mines, and after the French railway reached there in 1909, tin went from there by rail to Haiphong. For several years during and after the Franco-Chinese War of 1884-85, tin exports, in the form of slabs, had gone to Pakhoi, and formed a substantial proportion of Pakhoi's total exports. By 1890, after the end of the war and the opening of the Red River route from Haiphong (the precursor of the railway), these tin exports from Pakhoi had sunk to an insignificant amount.[21]

By opening customs houses under the Maritime Customs at the new treaty ports, of course, the central government was diverting to its own exchequer customs revenues which had formerly gone mostly to the provincial exchequer. Trade increased only slowly at both Mengtz and Teng Yueh, but was given a fillip at the former when the railway from Haiphong reached there in 1909. By 1913 trade at Mengtz amounted to Tls.19,710,530 (approximately £3,000,000) a large proportion being tin exports; while at Teng Yueh it amounted to £473,074.[22] Although technically treaty ports, these Yunnan towns were unrelated to the development of shipping on any of China's main waterways.

The pattern of trade on the West River continued after, as before, World War I, 1913 being a record year when the total trade of the two ports of Wuchow and Nanning amounted to £3,112,787.[23] The following

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21 BPP 1890-91 (c.6205) LXXXV p.427

22 BPP 1914 (5388) XC p.557

23 BPP 1914 (5307) XC p.327

year opened well; but disastrous floods in June when much of the city was under water for six weeks, and then the outbreak of war two months later, caused a decline in trade, which even affected the three inland treaty ports in Yunnan. Wuchow's trade with Hong Kong fell from £2,131,909 in 1913 to £1,887,768 in 1914. The war in Europe caused almost a complete stoppage of credit, and for a time most business was conducted on a cash basis. In 1914 Wuchow had fifty seven foreign residents, of whom twenty seven were British, fifteen American, one French, three German and three Japanese. In spite of the decline in trade shipping on the river showed an increase over 1913, with Britain maintaining her share at fifty per cent. There were eight British and nine Chinese steamers running between Hong Kong, Canton, and Wuchow, and an additional six British and fourteen Chinese motor boats, some of the latter operating above Wuchow.[24] The passenger trade continued to increase, and in 1913 170,890 Chinese and 401 foreign passengers left Wuchow, and 150,607 and 490 entered the port. As on the Yangtze, steamships and motor launches proved very successful in taking over most of the passenger trade from the junks.

After the war there was an upsurge of optimism on the West River, as on the Yangtze, and this caused a great increase in motor boat traffic on the upper reaches of the river and its tributaries. The furthest point reached was Posé, 260 miles up the Yukiang River from Nanning, that is a total of about 760 miles from the sea. At the height of the high water season in June 1919 H.M.S. Moorhen made an epic passage to Posé, and reported no rapids above Nanning, although the river was very narrow at some places. By this time the Wuchow -

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24 BPP 1914 (5307) XC p.327

Nanning service was being maintained all year round, although sometimes with difficulty in the low water season. In summer the round trip could be done in four days; but in winter often took twice as long. In 1919 steamer traffic on the river was suspended twice because of political trouble, and during the several years after this unsettled conditions caused temporary declines in trade. By 1928, however, the combined trade of Wuchow and Nanning amounted to Tls.34,471,835 (approximately £4,000,000) but due to these causes declined again in 1929 to Tls.27,819,482 (approximately £3,300,000).[25] It must always be remembered that even as late as this there was still a considerable trade carried on outside Customs jurisdiction, the proportion depending on the degree of control the central government was able to exert over the provincial officials.

Kwangsi, Yunnan, and parts of Kwangtung beyond the immediate environs of Canton were often in a state of war or rebellion when the rest of China was comparatively peaceful. Two war lords ruled Yunnan between them for many of the inter war years, T'ang Chi-yao and Lung Yu, fostering opium production at the expense of food crops, and inflicting great suffering on the population. The Japanese captured Canton on 22 October 1938, and this effectively ended British participation in the West River trade. Previous to this, the blockade of the Yangtze had given an artificial stimulus to the West River trade, as for a little over a year after the outbreak of the Sino-Japanese War, it became one of the several alternative routes to maintain communications with west China. Pakhoi also benefitted at the same time and for the same reason.

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25 C.Y.B. 1930

In retrospect, it is now evident that conditions in the West River region were not conducive to foreign trade and shipping on any considerable scale. Yunnan, as it was proved, was far from being the El Dorado conceived by the early travellers, and such trade as it could provide could be better channeled by other routes, especially by the French railway by the Red River route from Haiphong. British trade and shipping, however, did find the West River a much more profitable field for development than Pakhoi. The most significant proof of the comparative unattractiveness of the West River is that it was practically ignored by Butterfield and Swire and Jardine, Matheson, and Company, in spite of their substantial trade with Canton and Hong Kong.

One reason for British official persistence in opening the West River to foreign trade, and providing a flotilla of gunboats to patrol it, was almost certainly the belief that west China (particularly Szechwan and Yunnan) provided a favourable field for the development and expansion of British trade. Between 1866 and 1889 British trade with China declined by around twenty five per cent, from Tls.49,770,527 to Tls. 36,824,264, while other European countries and the United States were increasing their trade with China. European countries (excluding Russia) increased their trade twelve fold, from Tls.1,634,264 to Tls.19,739,695; and the United States increased its trade by some forty per cent, from Tls.6,605962 to Tls.10,889,785.[26] British shipping in Chinese waters, however, continued to increase during this period, in contrast with other British industries. With secure bases at Hong Kong and Shanghai, and an efficient shipping

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26 R.K. Douglas, 'Our Commercial Relations with China' Scottish Geographical Magazine 1891 p.21. These statistics were taken from the Trade Reports of the Imperial Chinese Customs.

industry, Britain appeared favourably placed to exploit the resources of west China.

In 1942 an article in the Far Eastern Quarterly reviewed the importance of the China trade to Britain. After referring to the almost wearisome repetition in diplomatic correspondence, in treaties, and in the press to the vast commercial opportunities to be found in China, this said: "It is now certain that the China trade received notice that was out of proportion to its importance. At the time British publicists and others were emphasising that Britain supplied eighty per cent of China's imports, and carried sixty nine per cent of the total tonnage shipped through Chinese ports, China was seventeenth on the list of British customers. British exports to China amounted to less than sixteen per cent of those to the United States, and her total trade with China was less than ten per cent of her trade with the colonies".[27] If exaggerated forecasts of the China trade in general were true, this was particularly true of the trade with west and south west China.

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27 Warren B. Walsh 'The Yunnan Myth', Far Eastern Quarterly, Vol. 21, November 1942

CHAPTER 7

Regular services established above Ichang and peak years of foreign shipping on the Upper Yangtze. Optimism of foreign companies in spite of civil wars and rebellions; anti-foreign boycotts, the 'Wanhsien Incident' and Japanese encroachment. Approximately 1917 - 1941

Although many thousands of miles from the main theatres, World War I brought many changes to China. In the early months the Royal and Japanese Navies captured Tsingtao and took over the German sphere in Shantung. German ships were immobilised in Chinese ports, and as competitors to British ships, disappeared from the coast and from the Yangtze. With supplies of manufactured goods from Europe and later from America, severely restricted during the war years, there was rapid industrial development in Shanghai, and in other large treaty ports such as Hankow and Tientsin, to supply goods previously imported from Europe and America. In Shanghai especially, textile mills and other factories expanded and increased to meet this need. Japan's contribution to the German defeat was limited to the capture of Tsingtao and of some German possessions in the Pacific, and her industries also benefited from the elimination of German competition in China, and from British and American preoccupation with the war effort. Fortunately, there was no transfer of British ships from the coast or the Yangtze to any of the theatres of war, and so Britain was able to maintain her predominant position on the China coast and on the Yangtze.

In common with other parts of the world, China shared in the trade boom of the immediate post war years, and also in the depression

which followed. In her case, both boom and depression were aggravated by the steep rise and then fall in the value of silver and of the tael. The latter reached a record low of 2/7½d in 1914, during which year the total foreign trade of China amounted to Tls.923,468,000. In 1915 the total foreign trade declined to Tls.873,336,885, after which the tael began to appreciate steadily, until for a short time in 1920 it reached a peak of 9/3d. After this it declined even more rapidly, to 3/11½d in 1921 and 3/5½d in 1925. During this period, despite reports of civil wars, brigandage, and depression, China's foreign trade increased to Tls.1,789,995,145 in 1924.[1] While the rise in the value of silver contributed to this anomaly, and helped to shelter China from the depression from which so many other countries were suffering, it is still difficult to reconcile the booming trade figures with the repeated warnings of economic collapse, and the repeated reports of disturbances ravaging so many parts of the country. The increased imports were achieved at the expense of ever increasing deficits in the balance of trade, from Tls.35,000,000 in 1916 to Tls.300,000,000 in 1921 and 1922. This was at least partly due to large imports of machinery and materials for China's expanding industries, most of which - owing to the unsettled state of the country - were in the larger treaty ports. This gave rise to the saying "the treaty ports flourish while China decays." Another important factor was the adaptability and keen business acumen of Chinese merchants. Conditions such as existed in China during the 1920s, would have caused a complete break down of economic and commercial activity in most other countries.

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1 O.T.R. 1926, p.45

One important feature of the post war scene was the rapid expansion of steam navigation on the Upper Yangtze. There were times, of course, when Szechwan was peaceful and settled compared with other parts of China; but more often the reverse was the case. Like the expansion of China's foreign trade in general, the sudden rush to build steamers for the Upper Yangtze at this time was something of a paradox. In the early 1920s, both Butterfield and Swire and Jardine, Matheson and Company at last decided to build their own steamers for the Upper Yangtze, after having used chartered junks for some thirty years. The first British steamer on the Upper River, however, was the An Lan of the Asiatic Petroleum Company, which was built at Shanghai in 1917, and commenced operations towards the end of the year. The An Lan was equipped to carry bulk petroleum products, and was a great advance on any previous Upper Yangtze steamers, being nearly twice as large and more than twice as powerful as the Szechwan Steam Navigation Company's Shunhun. She could carry a dozen first class passengers. For her first few trips the An Lan returned to Ichang empty, but from late 1919 Butterfield and Swire chartered her for the down river trip, and this can be considered as the China Navigation Company's real entry into the Upper Yangtze trade. Almost simultaneously the Standard Oil Company of New York built a very similar steamer, Mei Tan, for carrying its bulk petroleum products to Chungking and also general cargo back. Because of unsettled conditions in Szechwan in 1917 no steamers went above Wanhsien. In spite of this the gross value of trade through the Maritime Customs at Chungking was Tls.34,074,219, an increase of Tls.1,000,968 over 1916.[2]

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2 N.C.H. 10.8.1918

Trade at Chungking continued to increase in 1918 and 1919, and in the latter year was Tls.41,572,332, and for Wanhsien was Tls.6,110,113. Foreign imports were Tls.10,388,255, and Tls.667,812 respectively. With the tael averaging about 8/0d for the tear, this was a total sterling value for the two ports of approximately £4,400,000. Due to a revival of civil war in the following year, the trade of the two ports declined to Tls.39,305,104, of which foreign imports accounted for Tls.9,348,373. Because the tael had reached 9/3d early in the year, however, the fall in sterling value was only about £160,000.[3] The principal exports from Chungking were bristles, feathers, fungus, goatskins, grass cloth, hemp, hides, varnish, vegetable oils (including wood oil), tallow, yellow silk, medicines, rhubarb, and white wax. The latter three products came from the far west of Szechwan on the Tibetan border.

Provision had been made in the Mackay Treaty of 1902 for Wanhsien, half way between Ichang and Chungking, to be opened as a treaty port. With no British steamers operating on the Upper River, however, the necessary provisions were not fulfilled, and the opening of the port was not pressed by the British Minister, especially as it was not of any great commercial importance. In 1917, however, the Chinese government itself voluntarily declared Wanhsien a treaty port, and as such it provided a useful stopping place for foreign steamers en route between Ichang and Chungking. The up river passage against a current of five or six knots and with no night sailing, took between four and six days, so that at least three stopping places or anchorages were required. There was a lack of good anchorages on the Upper Yangtze,

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3 C.Y.B. 1921

or of knowledge of those that existed. This problem mainly affected foreign steamers, as Chinese steamers could berth at any of the ports on the Upper River which were denied foreign steamers, which were confined to treaty ports. Unfortunately, unlike on the Lower and Middle Yangtze and on the West River, Britain had been unable to get any ports on the Upper Yangtze declared ports of call. With Wanhsien a treaty port, however, this was at least one place between Ichang and Chungking where foreign steamers could berth for the night.

If no safe anchorage was available on the Upper River, foreign steamers at first followed junk practice and spar moored to the river bank. The steamers were provided with two heavy spars, one forward and one aft, one end of each being secured to the deck and the other to the bank by rope tackles. Later, as a number of safe anchorages were found, this practice was discontinued; but Upper River steamers continued to carry these spars and tackle in case of emergency.[4]

Between 1919 and 1923 there was an extraordinary development of steam navigation on the Upper Yangtze, and by the latter year some twenty steamers were plying between Ichang and Chungking and between Chungking and Suifu, the British, American, and Japanese flags being represented as well as the Chinese. For a few years the Upper Yangtze was looked on as an El Dorado, and the first few steamers earned handsome profits. It was something like the 'Yunnan Myth' of two and three decades earlier, and the more remarkable in that it took place against the background of an increasingly chaotic political situation. No commentator on the China scene expected an early solution to the problems facing the country, yet foreign business men

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4 Captain G. Torrible, O.B.E., Yangtze Reminiscences (privately printed) (1965) p.42

acted as if the country were on the brink of an economic boom.

Another sign of confidence in the future was the heavy investment at Shanghai, and to a lesser extent at other large treaty ports, by foreign companies. Visible evidence of this was provided by the number of fine buildings erected in the immediate post war years. Among these were new headquarters for the Hong Kong and Shanghai Banking Corporation; the Chartered Bank of India, Australia, and China; Jardine, Matheson and Company; the Glen Line; and Brunner, Mond, and Company (later the Imperial Chemical Company). These were all erected along Shanghai's famous Bund, and it was in those years that Shanghai acquired its distinctive skyline, and the reputation of being the great financial and commercial centre of the Far East. The value of silver prevailing in 1919 and 1920 may have contributed to this display of confidence; but as a very rapid decline began soon after it must only have been a minor factor.

Many of the new steamers for the Upper Yangtze were built for established shipping companies already operating on the Lower and Middle Yangtze, such as the China Navigation, the China Merchants Steam Navigation, and the Indo-China Steam Navigation Companies. Then there were the Standard Oil Company of New York and the Asiatic Petroleum Company, which were early in the field with specialised ships to take their products to the Upper Yangtze. In the mood of optimism prevailing in the 1920s, however, many other companies – British, Chinese, and American - not previously concerned with shipping on the Yangtze were attracted to the Upper Yangtze.

The building of the Loongmow in 1921 for Mackenzie and Company of Shanghai, illustrates the mood of euphoria sweeping Shanghai in the

early 1920s. Mackenzie and Company was an established import and export firm; but this was their first venture in shipping. At the same time as they built the Loongmow they bought the Szechwan Steam Navigation Company's Shutung, the first steamer to operate regularly on the Upper Yangtze, her Chinese owners finding it increasingly difficult to operate in the unsettled conditions. The Loongmow was the first of a number of - by Upper Yangtze standards - large steamers, much larger and more powerful than any previous steamers. She had luxurious accommodation for European passengers, and was promptly christened "The Queen of the Gorges". She was followed by the Alice and Robert Dollar of the Dollar Line of San Francisco, which were also fitted for European passengers. These three ships and their machinery were built at Kiangnan Dockyard in Shanghai. The Dollar Line intended to develop the tourist trade on the Upper Yangtze, in cooperation with their trans-Pacific service between San Francisco, Japan, and China. Then in 1922 another four ships were built for the Upper Yangtze, the China Navigation and the Indo-China Navigation Companies each building similar ships, the Wanhsien and the Fukwo. The former was built at Yarrows on the Clyde and the latter at Kiangnan Dockyard. The other two ships were the Anning and the Gyochi Maru, the former for H.E. Arnhold of Shanghai, and the latter for the Osaka Bunji Company of Kobe, Japan. The Anning was built at Yarrows, sent out in sections and assembled at Kiangnan Dockyard; and the latter was built at Kiangnan Dockyard. The Gyochi Maru was the first Japanese ship to operate on the Upper Yangtze, and she was followed in the next year by two sister ships.[5]

The fact that so many of the new ships were built and

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5 Particulars of these ships are in Appendix 3

engined at Shanghai illustrates the great strides made in shipbuilding and engineering in the previous sixty odd years. Shipbuilding and allied industries were established in Shanghai soon after it became a treaty port in 1842. The first steamship built in Shanghai was the tug boat Pioneer of 1856. Then in 1865 Li Hung-Chang, who a few years later played a large part in establishing the China Merchants Steam Navigation Company, established the Kiangnan Arsenal at Shanghai. The Arsenal, in addition to becoming an important manufacturer of small arms and ammunition, had also a shipyard, where its first steamship was built in 1868; but equipped with a foreign built engine and boilers. In 1879 when Jardine, Matheson, and Company formed their Yangtze Steamship Company, its first three ships were built and engined at Shanghai. From that time Jardines built many of their ships at either Hong Kong or Shanghai, while their great rivals continued to build on the Clyde. By 1919 therefore, shipbuilding and marine engineering was well established at Shanghai, where there were several British and Chinese owned dockyards capable of building and fitting ships up to the size of the largest operating on the Yangtze.

Most of these new ships for the Upper Yangtze were about 200 feet long and had a fully loaded draught of about eight feet. They were capable of fifteen knots in calm water, and so could do some nine or ten knots up river against the normal current, and navigate most of the rapids under their own power in normal conditions without outside assistance. The arrival of the Wanhsien and Fukwo heralded the full scale commitment of the China Navigation and the Indo-China Steam Navigation Companies to the Upper Yangtze. H.E. Arnhold of Shanghai, owners of the Anning, was originally a German company; but came under British control in 1914, and was later taken over by the

Sassoons, when this famous British-Parsee family expanded its interests in Shanghai.

This sudden increase in steamers on the Upper River led to a rate war and a disastrous fall in freights. The principal up river cargo was cotton yarn, the freight on which had been between Tls.30 and Tls.35 per ton in 1921, and which now dropped as low as Tls.4 for a short time. Passenger fares which had been $90, $60, and $40, for first, second, and deck passengers respectively, dropped to $30, $20, and $10. The time when Upper Yangtze steamers could pay for themselves in a season or two was over. There was still optimism in commercial circles, however, where it was thought that with stable political conditions - still far off - there would be plenty of cargo for all. It was also hoped that the fall in freights would reduce the cost of living and itself provide some stimulus for trade. One bright feature of the freight scene was the expanding volume of wood oil exports all through the bad years. In 1921 Tls.5,466,430 of wood oil was exported from Chungking, and this increased to Tls.10,888,130 in 1922.[6]

The Szechwan opium crop in 1922 was reported to be the largest for ten years, as the military were forcing the farmers to grow opium at the expense of food crops. The successful anti-opium policy of the last years of the Manchu government had been the first casualty of the Revolution and war lord rule.[7] So far as opium was concerned Szechwan was a law unto itself, probably the prime example of war lord misrule, and the riches of the province were locked up because of this, and the people poverty stricken and degraded.

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6 O.T.R. 1923 p.32

7 N.C.H. 10.6.22

In the early 1920s Szechwan came under General Liu Ch'ing-hsun, and everything was subordinated to the opium trade in order to raise funds for the military. General Liu established an opium monopoly, and each district or hsien was ordered to devote so much land to the poppy. Szechwan opium enjoyed a high reputation, and was in great demand all over China. In February 1924 General Liu sent 1,500,000 ounces of opium in the steamer Ankong from Chungking to Hankow, and the money obtained from its sale was used to purchase arms. The Ankong was one of a number of steamers which the military of Szechwan had taken from their Chinese owners.[8] The danger of their ships being commandeered by the military led many Chinese shipowners either to lay up their ships, or try to sail them under a foreign flag. It was common knowledge that the French steamer Kiang King was really owned by the China Merchants Steam Navigation Company, for instance. Flags of convenience were the order of the day on the Upper Yangtze in the 1920s: but this practice was not connived at either by the China Navigation or the Indo-China Steam Navigation Companies.[9]

The fall in freights and the danger of being commandeered by the military forced some small Chinese companies on the Upper Yangtze out of business. Among the casualties was the Szechwan Steam Navigation Company, the pioneers of steam navigation on the Upper River, which sold its Shutung to Mackenzie and Company and its Shuhun to the Sino-French Trading Company. Then later in 1923 Mackenzie and Company also dropped out of the Upper Yangtze scene, and sold their Loongmow and recently acquired Shutung to the China Navigation Company, the former being rechristened the Wanliu.

In 1924 the Indo-China Steam Navigation Company built their

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8 C.Y.B. 1925 - 26, p.583

9 C.Y.B. 1923

second ship for the Upper Yangtze, the Kiawo, and the China Navigation Company made an even more remarkable display of confidence by increasing their Upper Yangtze fleet by six ships. This was achieved by buying the Dollar Company's Alice Dollar, which was rechristened Wantung, and building another five ships at Yarrows. The new ships were the turbine oil fired steamers Kiating, Kangting, and Kingtang, and the smaller motor ships Suishan and Suiting. The former were the most up to date ships on the whole river. They were 150 feet long of 483 gross tons, with a fully loaded draught of five feet four inches, suitable for operation between Ichang and Chungking in the low water season. One of the main cargoes was wood oil, for which they were fitted with special tanks. Unfortunately they had the great disadvantage of a slow change from ahead to astern power, and so no further turbine steamers were built for the Upper Yangtze.

The motor ships were 121 feet long of 296 gross tons, with a fully loaded draught of four feet six inches, and intended for operation between Chungking and Suifu. Unfortunately, in the unsettled political conditions of the times, it proved unduly hazardous to operate ships on the Top River, and after a few months experience they were withdrawn to the Upper River after 1927.

A North China Herald correspondent described the scene at Ichang in 1922 before the Upper Yangtze opened for the high water season.[10] The season opened on 31 March, unusually early, and for the previous week steamers had been arriving from Shanghai or Hankow every day. On 31 March there were eight Upper River steamers in the harbour, anchored in a row, with four Middle River steamers, and American, British, French, and Japanese gunboats. All were lit up at night, and for a short time Ichang was the busiest port on the

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10 N.C.H. 13.6.22

river. The Upper River steamers were the Mei Rin of the Standard Oil Company, the Robert Dollar, Shuhun, Gyochi Maru, Go Go Maru, and the three small steamers of the Szechwan Railway Company. After these ships had left the Loongmow and the An Lan arrived within a few days, the former full of tourists equipped with cameras to photograph the gorges and rapids; then towards the end of the month the China Navigation Company's Wanhsien arrived on her maiden voyage. This latter event was celebrated by a large party at the house of the Butterfield and Swire agent.

With the arrival of so many additional steamers for the Ichang-Chungking service, some of the smaller Chinese steamers moved up river to run between Chungking and Suifu. These high powered steamers, some with propellers working in half tunnels, were dangerous to the junks. The unfortunate junks, therefore, were harassed from two directions; on one by the steamers, and on the other by the military, and many were forced out of business.

The arrival of steamers on the Upper River was disastrous for the junks, not only reducing their trade; but also creating conditions inimical to their running. They were unable, especially if overloaded with a low freeboard as many were, to withstand the wash from a high powered steamer. Resentment of the junk men at losing their liveliehood coupled with the dangers to which they were often subjected, reached such proportions that in 1922 steamers agreed to a time limit of not less than three and a half days for the up river, and one and a half days for the down river passage between Ichang and Chungking, and offending steamers were heavily fined.

The trackers were also adversely affected by the arrival of the steamers, especially as more and more steamers became able to

navigate the rapids without outside assistance. As junks were forced off the river by steamers or the military this adverse effect on the junkmen and trackers was compounded. There were many ugly confrontations between foreign steamers and junk men, trackers, and stevedores, and the latter often resorted to ingenious tactics to protect their employment, some of which forestall those of equally militant dockers and stevedores in post war Britain. The enforced and double transhipment of cargo from steamer to shore and vice versa was a favourite tactic used at Ichang.

The fragile unity which Yuan Shik-hai had been able to impose on the country for the first few years after the Revolution of 1911, had completely broken down shortly after his death in 1916, ushering in over ten years of war lord misrule. It is almost impossible to relate the changing pattern of war lord politics during the years between Yuan Shik-hai's death and the emergence of Chiang Kai-shek and the Kuomintang as the major force in the country in 1927 and 1928. The provinces most affected by the disorders were probably Szechwan and Yunnan. There was severe fighting in Szechwan in 1920 and 1921 between Szechwan troops and a combination of Yunnan and Kweichow troops, in which the latter occupied Chungking for a time. There was also an insurrection of the troops at Ichang and destructive looting there, causing even further dislocation of native trade and junk traffic. British ships were rarely interfered with for the first few years, except for the occasional shot from the bank, and for their part tried to avoid carrying soldiers for any of the warring factions. By immobilising Chinese steamers and junks, these disorders sometimes even benefited British ships. Anti-foreign boycotts, however, soon became an increasingly disturbing

feature of the scene, as the Nationalist and anti-foreign movement gathered strength. An anti-Japanese boycott in 1920 and 1921 benefited British shipping; but in 1925 there was a boycott of both British and Japanese goods and shipping.

From the British point of view, however, the most disturbed years - at least until the Sino-Japanese War broke out in July 1937 - were 1926 and 1927. These years saw the capture of Hankow by the Nationalists, and the spread of Nationalist influence throughout most of the Lower and Middle Yangtze. British ships were subject to repeated interruptions, in spite of the presence of strong naval forces. For a time all foreign residents were evacuated from up river ports to Shanghai, and there were no services on the river above Hankow.

There were times when Chinese ships benefited from these anti-British and anti-Japanese boycotts; but repeated seizures by the military, and sometimes by the militant Seamens' Union, also forced many Chinese ships to lie up. The situation was aggravated by labour troubles during those years, many of which were politically motivated.

British ships were forbidden by the British Embassy to carry troops, but on occasion found it politic to carry 'volunteers', that is soldiers in plain clothes and without arms. It was the refusal of a British captain to carry the soldiers of a war lord which led to the famous 'Wanhsien Incident' of 1926.

For most of the inter war years British ships on the Lower and Middle Yangtze carried armed guards, soldiers seconded from the British garrison at Shanghai. Other foreign ships carried armed guards from their own gunboats on the Yangtze. British officers on the Yangtze steamers were armed, and the bridge was protected by steel plates against rifle and machine gun fire from the banks. On the Lower and

Middle Yangtze where night sailing was almost universal, it was the practice on receipt of a signal from the bridge, for the engineer on watch to pull out a switch and extinguish all lights on the bridge and deck.

In 1926 General Yang Sen, a powerful war lord, and an adherent of Marshal Wu Pei Fu, controlled Wanhsien, and much of the country above and below the port. On 27 August when the China Navigation Company's Wanliu was approaching Yung Yang, some forty miles below Wanhsien, several large sampans of Yang Sen's solders attempted to board her for a passage up river. The captain refused, and in the ensuing fracas one sampan capsized, and several soldiers were drowned. On arrival at Wanhsien Yang Sen seized the Wanliu, and demanded a large ransom, claiming that his pay chest containing some 85,000 dollars had been in the capsized sampan. When the China Navigation Company rejected this claim, he seized another of the company's ships, the Wanhsien, when she arrived at her name port, and this led to the biggest Anglo-Chinese confrontation on the Yangtze.

H.M.S. Cockshafer was at Wanhsien at this time, and her commander, Lieutenant Acheson, sent an armed guard on board the Wanhsien to demand the withdrawal of the Chinese soldiers, and while this was being debated a third China Navigation Company ship, the Wantung arrived, and she too was seized. Another armed party was sent on board the Wantung; but with a total complement of only fifty officers and men, and with his other officer absent on sick leave, Lieutenant Acheson was in no position to work and fight his ship, and also supply guards for merchant ships, At this point Yang Sen sent him an ultimatum, threatening to fire on him unless the two boarding parties were withdrawn. Lieutenant Acheson was obliged to comply,

report to the Rear Admiral at Hankow, and wait for reinforcements. During this time Yang Sen consolidated his troops and artillery on the river bank opposite the anchorage. When the British Consul arrived on H.M.S. Widgeon a few days later, Yang Sen refused to meet him, and an impasse was reached.

By this time the light cruiser Despatch had arrived at Hankow, and the river gunboats Mantis and Scarab at Ichang, together with the Indo-China Steam Navigation Company's Kiawo. The latter was requisitioned by the Navy, and carried a relief expedition of fifty three officers and men recruited from the Despatch, Mantis, and Scarab. The Kiawo left Ichang on 5 September flying the White Ensign, and when anchored for the night in the Wushan Gorge painted out her funnel and hull colours, and continued up river at dawn. When she approached the detained ships, the Kiawo was heavily fired on from the bank, and the British gunboats returned the fire in self defence. After a stiff fight all the Europeans from the China Navigation Company ships were evacuated, and Kiawo and the two gunboats withdrew. In the fighting three officers and four ratings lost their lives, and the chief engineer of the Wanliu was drowned while attempting to swim to the Kiawo. Another two naval officers and thirteen ratings were wounded, but all recovered, and considering the severity of the engagement casualties were surprisingly light. The French gunboat Doudart de Lagrée and two Japanese gunboats were also at Wanhsien during all this, and it was noticeable that while the former played a resolutely passive role, the latter made active preparations to rescue any British personnel who should come within her range.

When the relief expedition arrived back at Ichang, H.M.S. Hawkins, flagship of the China Station, had arrived at Hankow, and every available

gunboat had been concentrated there in preparation for mounting a powerful naval force to proceed to Wanhsien had the Kiawo expedition been unsuccessful. Yang Sen, however, now decided to negotiate, and eventually all three China Navigation Company ships were returned to their owners.[11] Repercussions of the Wanhsien Incident lasted for a long time. China protested to the League of Nations against Britain's brutal bombardment of the peaceful town of Wanhsien, which had caused the deaths of many innocent people, and caused many thousands pounds of damage. There was a boycott of British trade which lasted for nearly a year on the Upper Yangtze, four years at Wanhsien itself, and for shorter periods at some Lower Yangtze ports. In Chungking there was a savage anti-British riot by mobs of thousands of Chinese calling themselves "The Wanhsien Revenge Society", in which Europeans were attacked and foreign business premises looted and destroyed.

Yang Sen, the 'hero' or 'villain' of the Wanhsien Incident, died at Taipeh on 15 May 1977, ninety six years old. The Times described him as "the last of the old China war lords."[12] In the course of a long and colourful career Yang Sen found time to father ~~ninety six~~ forty eight children, and ended his career in an odour of respectability. He was born in Szechwan in 1881 and served his apprenticeship in the old Manchu army. During the troubled years after the Revolution of 1911 he was at times Military Governor of Szechwan, Governor of Kweichow, and Mayor of Chungking. Like so many of his contemporaries he changed his allegiance several times, before coming down on the side of Chiang Kai-shek in the early 1930s. In the 1934 Nationalist campaign against

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11 Particulars of the Wanhsien Incident have been taken from China in Turmoil by G.H. Gomperts (1967), Armed with Stings, by A.C. Hampshire (1950) and the China Year Book (1928).

12 The Times 17.5.77

the Communists in Shensi, he very nearly captured Marshal Chu Teh, Mao Tse-Tung's right hand man, and the commander of all the Communist armies. He finished his career as military adviser to Chiang, and fled with him to Taiwan after the Communist victory in 1949.

After the Wanhsien Incident the sorely tried China Navigation Company was faced with a strike by its European floating staff. This was in protest against a ten per cent reduction in salaries, and was notable in being the only European strike ever to have taken place in China. The company's case was that the reduction had been forced on them by poor business; while the Officers' Guild maintained that trade was actually improving now that the anti-British boycott was weakening, and proposed arbitration. Some seventy five China Navigation Company ships, including the entire Yangtze fleet, were immobilised from 29 June until 8 September, when the officers returned to their ships while a compromise settlement was worked out.

From then conditions for British trade and shipping steadily improved. After the peaceful occupation of Peking by the Nationalists in June 1928, Chiang Kai-shek formed a government which claimed to represent the whole of China. In fact, much of the country, including Manchuria which was ruled as a personal fief by Marshal Chang Hsui-liang (the son of Chang Tso-lin) Szechwan and Yunnan, and Kiangsi, which was the Communist stronghold, was still outwith his control. His government, however, was the most promising to have emerged since the Revolution of 1911. In the previous year, during which Britain had sent out strong military and naval forces to Shanghai, Chiang had expelled the Communist and left wing elements from the Kuomintang, and this appeared to herald a new era in Sino-Western relations, and a promising future for foreign shipping and trade in China.

The nadir had been reached in 1927, when British shipping

entering and leaving Chinese ports was only forty million tons, compared with fifty three million in 1926. Trade and shipping began to improve towards the end of 1927, and British tonnage increased to fifty six million tons in 1928, and fifty eight million in 1929. British ships now carried 28.5% of the foreign and 44.5% of the coast trade of China, an overall 36.5% which compared with Japan's 28.9% and China's 18.8%.[13] By now there were over seventy steamers employed on the Upper Yangtze between Ichang and Chungking, some under 100 gross tons; but the largest of just over 1,000 tons with horse power of 3,500. British steamers were predominant, and in 1929 there were fifteen British steamers of 5,357 tons on the Upper River, eleven American of 2,934 tons, and twenty six Chinese of 3,672 tons. Other countries represented to a much lesser extent were France, Japan, and Italy.

Trade on the Upper Yangtze continued to improve in 1929 and 1930, and the latter year was a record for Chungking and the Upper Yangtze as a whole, as the following table illustrates.

	1928	1929	1930	1931
	Exports in Hk.Tls.			
Chungking	28,290,078	34,856,300	37,094,278	29,439,850
Wanhsien	8,691,603	9,474,666	7,859,988	6,845,969
Ichang	3,755,235	3,250,000	6,159,922	3,981,645
Totals	40,736,916	47,580,966	51,114,188	40,237,464
	Imports in Hk.Tls.			
Chungking	43,946,507	43,400,186	49,158,264	45,873,266
Wanhsien	9,554,049	11,604,319	10,768,260	10,120,488
Ichang	9,777,952	9,411,940	7,760,260	8,851,325
	63,278,508	65,466,445	67,966,977	64,852,325
	40,736,916	47,580,966	51,114,188	40,277,464
Grand Total	1104,315,424	112,027,419	119,081,165	105,129,789[14]

13 O.T.R. 1930 p.30-31

14 Statistics for 1928 and 1929 from the C.Y.B. for 1931;

Wood oil exports continued to be a bright feature of the shipping scene both at Chungking and Wanhsien. Chungking exported 169,816 piculs in 1930; but owing to the United States market being overstocked exports fell to only 53,901 piculas in 1931; but recovered to almost the 1930 figure again in 1932. Wood oil was even more important to Wanhsien, where it was the mainstay of the port. In 1933, which was a good crop year, wood oil exports amounted to some 200,000 piculs. The United States took some sixty five per cent of Szechwan's wood oil exports.

In 1930 the Nationalist government proclaimed its intention to reserve navigational rights on the coasts and inland waterways to Chinese flag vessels. This was accepted by the foreign governments as more a 'declaration of intent' than of actual policy for the immediate future. In 1929 over ninety per cent of China's foreign trade was carried in foreign vessels, and Britain and Japan accounted for some sixty five per cent of this.[15] For over ten years the Western Powers had accepted in principle the abolition of the treaty port system with all its anomalies in the setting of the twentieth century; but this was contingent on the establishment of a strong central government in China, and until 1928 there had seemed little prospect of this. It would certainly be many years before China could have enough ships of her own to replace the foreign ships, and enough qualified personnel to run them.

In anticipation of the certainty that the first step towards this would be to reserve trade on inland waterways to Chinese vessels, Butterfield and Swire decided in 1900 to form an Anglo-Chinese company

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15 O.T.R. 1930, p.30

16 S.A. Box 270 1930

to operate its services on the Upper Yangtze. This company, the Taikoo Chinese Navigation Company Limited was formed with a capital of H.K.$2,500,00 (approximately £956,000), most of this being subscribed by the China Navigation Company itself, with Taikoo Dockyard and Taikoo Sugar Refinery of Hong Kong each having a small share. The company's registered office was in Hong Kong; but it was intended to form a board of suitable Chinese business men in Chungking, with the Butterfield and Swire agent there as Secretary, to manage the day to day running of the company. The new company came into existence in June 1930, with the China Navigation Company transferring five of its ship to the new company, the Wanhsien, Wanliu, Wantung, Suiting, and Suishan.[16]

At the same time negotiations were opened with the Union Francoise Chinoise Navigatione to buy their two Upper Yangtze ships, the Fookyuen and the Fookyung. The U.F.C.N. also had valuable shore properties, and at this time - when most ships on the Upper River were either losing money, or being run for the benefit of their Chinese crews - was reported to be earning some Tls.450,000 per year.[17]

Although by 1930 the Nationalists were in control of most of the Lower and Middle Yangtze, independent war lords still controlled much of Szechwan and Yunnan, and many Chinese business men were anxious to realise any capital they had invested in Upper Yangtze shipping. The Swire plan was in effect an amalgamation of their Taikoo Chinese Navigation Company with the U.F.C.N., to form a powerful combination able to beat off all comers, including the Indo-China Steam Navigation Company, the American Yangtze Rapids Steamship Company, and the Japanese Nippon Yushen Kaisha. The U.F.C.N. was believed to be really

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16 S.A. Box 270, 1930

17 S.A. Letters from Hong Kong 1930

a Chinese company, although officially sixty per cent of its capital of Tls.500,000 was held by French interests. The enlarged Taikoo Chinese Navigation Company, therefore, would be in effect Anglo-Chinese, and if necessary could fly the Chinese flag on its vessels in order to comply with any future more stringent Inland Waterway Regulations.

In the event this ambitious plan came to nothing, mainly because of failure to agree on a suitable price for the U.F.C.N.'s ships. The Taikoo-Chinese Navigation Company, however, ran its ships on the Upper Yangtze with China Navigation Company crews and under the British flag until the final days of the treaty port era.

In retrospect, 1930 and 1931 appear to be a repetition of the euphoric early post war years. Chiang Kai-shek was riding a wave of Western popularity, and confidence in China's future was widespread. In addition to the optimism of the Swires and others, there was the transfer of a great part of the Sassoon family's capital from India to Shanghai at this time, which in itself further fueled the fires of optimism.

In spite of the general optimism on the future of China, 1930 and 1931 were particularly difficult years on the Upper Yangtze. Trade in Szechwan was decreasing because - apart from the areas under Communist control - this was the last province still suffering from military misgovernment and exhorbitant taxation. There were some 2,000,000 soldiers in the province, some so called regular troops of the war lords, and others militiamen or bandits. At this time the people of Szechwan were being taxed as no other people had ever been taxed. They suffered under a multitude of different taxes - general, provincial, district, local, road, [redacted] stamp, transit, and so on - and an additional refinement was the practice of the war lords of

levying taxes several years ahead. The Nationalist government had officially abolished likin on 1 January 1931; but in Szechwan this decree had either never been heard of, or was completely ignored. In such circumstances it was a miracle that any Chinese business men managed to survive, and the large foreign firms continued, in spite of large losses, only in the hope of better days to come, and because of confidence in the future of the country as a whole. It was popular belief that Chiang Kai-shek would eventually strengthen his - at present very tenuous - control over Szechwan and Yunnan.

During all previous depressions the import of kerosene had continued to increase. From a mere 28,820 gallons imported into Chungking in 1896 this had risen to 393,220 gallons in 1908, and to a peak of 8,533,645 gallons in 1928. Then it fell to 5,574,798 gallons in 1929 and to a modern low of 3,148,439 gallons in 1930, after which it began to increase again.[18] Because of poverty, many people were forced to discard their kerosene lamps, and return to their saucers and vegetable oil. During these same years cotton imports also fell by about fifty per cent. Fortunately, the export of wood oil continued to increase, and was almost the only bright feature on the shipping scene. And - while the effect of the opium trade on the country as a whole was iniquitous, the flow of dollars up river to pay for the 9,000 tons of opium which went down (and was not featured in Customs or shipping returns) prevented Szechwan's trade and currency from complete collapse.

The United States withdrew its consul from Chungking at this time, considering that its interests did not warrant a consul, and until he returned a few years later the British Consul looked after

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18 H.G.W. Woodhead, The Yangtze and its Problems (1931) p.125

United States' interests. The United States gunboats, however, were retained on the Upper Yangtze, as at this time the need for extrality was nowhere more apparent than in Szechwan. This was illustrated by the experiences of German business men in Szechwan. Germany had been forced to relinquish her extra-territorial and other privileges in China after World War I, and in the war lord era in Szechwan German firms were often forced to contribute to military loans.

Although - until the outbreak of full scale hostilities between China and Japan after July 1937 - conditions on the Upper Yangtze never returned to the chaotic conditions of 1926 to 1928, there were times when different sections of the river experienced serious disturbances. In 1929 there was a strike by Chinese pilots on the Upper River which held up shipping for several months. At first the shipping companies resisted the pilots' demands; but then the smaller companies gave in, and the pilots returned to work on the promise that their conditions would be reviewed and their grievances remedied. Then in 1932 and 1933, following the Japanese seizure of Manchuria and their later encroachment into north China, there was a widespread and effective boycott on Japanese goods and shipping, which gave a considerable stimulus to British and Chinese shipping. Japan's share of China's foreign and domestic shipping declined from twenty six per cent to fourteen per cent in those years, while Britain's increased from thirty eight to forty two per cent, and China's from eighteen to twenty nine per cent.[19] During the height of this boycott no Japanese ships operated on the Upper Yangtze, and all Japanese residents were evacuated from the Yangtze treaty ports to Shanghai. There was some slight recovery of Japanese trade and shipping in 1934. In that year

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19 O.T.R. 1933-35, p.58

the total tonnage of steam and motor vessels on the Upper Yangtze was over 16,000, of which Britain accounted for over 11,000.

After about 1928 two distinct types of ship appeared on the Upper Yangtze, and shipping settled down into something approaching a regular pattern. The larger ships of about 200 feet long operated in the summer season of high water, and the smaller of about 150 feet long in the winter season of low water. Later an attempt was made to introduce an all season type; but this was not a great succes, proving too big for comfort in winter and too small in summer. Steam navigation was now possible all year, and in fact after 1922 it was very rarely that navigation was suspended for purely navigational reasons. The Shanghai built Chinese steamer Tae Sui 140 feet long with a fully loaded draught of four feet six inches, was the first steamer to operate all year round, beginning in 1923. By 1928 the Yangtze Conservancy Board had taken over some of the work previously carried out by the Marine Department of the Maritime Customs, and was improving navigation at some of the most dangerous sections of the Upper Yangtze. By 1937 they had removed the shoals at the Kungling Tan, and commenced blasting operations at other places, which were expected to take another three years to complete. It was now possible for steamers drawing thirty feet to reach Hankow in the high water season, and steamers drawing fifteen feet to reach Ichang.

The Upper River Inspectorate of the Maritime Customs, however, still controlled and licensed pilots on the Upper Yangtze, and made recommendations regarding the type of vessel which should operate there. Captain Pitcairn, who succeeded Captain Plant as Upper River Inspector, recommended one type for the high, and a smaller type for the low water season. The former should be about 190 feet long, thirty three feet beam, and ten feet six inches deep, capable of fourteen and a half

knots fully loaded to a draught of eight feet, although on occasions draughts up to nine feet were possible. Division of the hull into water tight compartments, and double bottoms in engine and boiler rooms was also recommended. Powerful windlasses, capstans, and steering engines were also required, and the ability to change to emergency steering at short notice. Most Upper Yangtze steamers had two or three rudders, and many had their propellers working in half tunnels.

Most of the above recommendations also applied to low water steamers. These, however, should only be about 145 feet long by twenty eight feet beam, and have a maximum loaded draught of seven feet. Captain Pitcairn favoured motor against steamships, because the former required less bunker space and had a better power weight ratio. The major drawback to diesels, however, was the lack of reserve power for the rapids, and cylinder heads had been blown on occasions when extra power was required in an emergency. Oil fired boilers with steam reciprocating engines was a good compromise. The China Navigation Company's example with their three 'K' class oil fired turbine steamers was not followed. These proved very expensive to operate, and had the major disadvantage of being slow to achieve full astern power.

Anglo-American naval cooperation, always a feature of the China coast scene, was particularly close during the last years of the treaty port era on the Yangtze. This tradition had been initiated during the British naval attack on the Taku forts in the Second China War in 1857. America was neutral in this war; but Commodore Josiah Tatnall commanding the United States East India Squadron, sent a boat load of American sailors to tow a number of British troop - laden

barges into safety. When remonstrated with by his second in command, the Commodore replied with the now classic "Blood is thicker than water". At times, and especially during the last days on the Yangtze, the two navies appeared to work in active cooperation. This attitude was in sharp contrast with that of certain sections in the United States who - even as late as 1937 - appeared more hostile to British, than to Japanese policy in China. After the Wanhsien Incident of 1926, the British community at Chungking was without a gunboat for protection for over a month, and the commanders of the United States' gunboats on the Upper Yangtze unofficially took over its protection.

By 1937, with another effective anti-Japanese boycott in force, British ships were predominant on the Upper Yangtze. It was common knowledge that Chinese capital was behind many of the American, French, and Italian ships running there, and it would not be incorrect to describe the flags of those countries as 'flags of convenience'. The misuse, or alleged misuse, of certain foreign flags by Chinese companies, was a constant source of embarrassment to foreign consuls and diplomats in China.

The principal Chinese company on the Upper Yangtze after the early 1920s, was the Ming Sung Industrial Company, the Szechwan Railway Company and the Szechwan Steamship Company having been casualties of the war lord era, and the China Merchants only being able to maintain one winter and one summer ship. The Ming Company had a capable management, and greatly increased its fleet during the early 1930s, often by taking over smaller Chinese companies. It also ran ships on the Top River between Chungking and Suifu. Eventually it too lost some of its ships to the military, and this left the China Navigation Company with its associated Taikoo Chinese Navigation Company, the major shipping

company in the final days.

The opium traffic reached an all time peak during those years, and on the Upper River it was controlled, rather than suppressed by the Nationalist Government's Anti-Opium Bureau. The Chinese Maritime Customs was reluctant to take active steps to stop the traffic, and most opium went down river in Ming Company ships. This had the advantage of preventing British ships from being involved. It was a different situation on the Lower River, where the opium traffic was controlled by gangsters, over whom the Anti-Opium Bureau had little control, and foreign ships were not infrequently involved. Not only were the war lords of Szechwan, while they paid token allegiance to Chiang Kai-shek, forcing the farmers to grow more and more opium; but in Manchuria and north China the Japanese were cynically forcing the drug on the Chinese population. This was part of a deliberate policy to undermine the Chinese, begun in Manchuria in the 1920s, by the notorious Colonel Kenji Doshara's drug peddling organisation, and after 1932 extended to north China.

The early months of 1937 were remarkable for the record low levels on the Upper Yangtze, and in early February an all time record of one foot below 'datum' on the water mark was reached.[20] For over a month only the smallest ships of the Ming Company were able to operate, and at times communication between Ichang and Chungking was only achieved by transhipment of cargo from section to section between steamers above and below the obstructions. The river rose by one foot in March, when the Mengsi was able to make the complete Chungking -

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20 'Datum' was an arbitrary point fixed on the Water Mark, a gauge like a tide gauge fixed at certain places in the Upper River, many on the rock faces in the gorges. It was important for shipmasters not only to know the levels at the various water marks; but also whether they were rising or falling.

Ichang passage without transhipment, and other companies followed suit shortly afterwards with their smallest ships.[21] During this spell of low water, junk owners who had managed to survive the previous lean years were able to reap a well deserved harvest. The river unexpectedly fell again in early March, and until April when normal water levels were reached only the smaller ships were able to operate.[22]

It is convenient to consider the Coronation Celebrations of May 1937 at Chungking and Ichang as the high point of the British presence on the Upper Yangtze. Partly due to Japanese aggression in the north, Anglo-Chinese and Sino-American relations were more harmonious than for many years, and the Anglo-American population of Szechwan larger than ever before. Work had just started on the long planned Chungking-Chengtu railway, the first railway in Szechwan, facilitated by a loan of Ch.$ 34,500,000 which China had received from France for railway materials. At the Coronation Celebrations H.M.S. Peterel and U.S.S. Palos were stationed at Chungking, and H.M.S. Ladybird at Ichang, and all were floodlit for the occasion. At last, and almost for the first time since it had been opened to foreign trade in 1891, a social life had evolved for the community at Chungking, not unlike that at coastal and Lower River treaty ports. It was a false dawn, however, as soon full scale war between China and Japan would break out, and the Yangtze would become progressively blockaded to British ships. By 1940 only a very few British ships would be operating on the Upper Yangtze above Chungking, in the final months of British shipping on the Yangtze.

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21 N.C.H. 6.1.37 and 9.2.37

22 N.C.H. 5.4.37

CHAPTER 8

Social life in the treaty ports and some brief remarks on the post war development of Chungking.

By the 1860s a well defined pattern of social life had been established at the treaty ports of China, especially at those which had been opened to foreign trade and residence in the 1840s. In many respects this resembled social life among British people in India and in British colonies in Africa and Malaya at the same time; but with some important differences. Unfortunately no writer like E.M. Forster or Joyce Carey has described this, and so nothing of the quality of Forster's "A Passage to India" or Carey's "Mister Johnson" on Nigeria has been written. Somerset Maugham's stories set in the treaty ports are very superficial, and while those of Ann Bridges on Peking are more authentic, Peking was not a treaty port, although European social life there might be described as an exotic variant of treaty port life.

Social life in the treaty ports centred on the 'Club'; but unlike in India and Burma, many treaty port clubs admitted 'natives' as members. In his "Burmese Days" George Orwell describes the agonising attempts of an Indian doctor to obtain membership of the local club, and a similar situation obtained in India. The British there, like the Greeks of old whom they so much admired, preferred to keep 'natives' out of their clubs. European settlement in India, Burma, and Africa, created a hybrid class which lived on the fringe of European life, and despised its own people and way of life. The educated and semi-educated Babu has long been a comic and tragic figure in Anglo-Indian literature. No such class emerged in China. The Chinese were too strongly entrenched in their own

culture and way of life, and too strongly convinced of its superiority, for this to happen. In fact, something almost exactly the reverse happened, and some Europeans became partly Sinicised.

Chungking was opened to foreign trade in 1890, and became a full treaty port five years later. A British consular representative, however, had been allowed to reside in the city in 1881, although British merchants were not allowed there permanently until 1895. Even after this - apart from missionaries who mostly settled in the countryside - very few British nationals took up permanent residence until early in the twentieth century. Although Butterfield and Swire and Jardine, Matheson, and Company commenced shipping cargoes in and out of Chungking by chartered junks from 1890, they employed Chinese agents to look after their business for many years. Other foreign firms except the Japanese followed suit. Apart from the senior consular staff and the British officials in the Maritime Customs, therefore, the only permanent British resident at Chungking in the latter 1890s was Archibald Little's manager.

In 1896 the Japanese obtained land for a concession on the south side of the river several miles below the city; but none of the other Powers followed suit. The few foreigners, other than Japanese, continued to live in the city in Chinese style houses under uncomfortable conditions, and this was a constant source of complaint in consular correspondence. In the early years of the twentieth century, however, they began to build Western style houses and their conditions improved. Then, after regular steamer communication had been established after the first World War, they began to build houses on the first and second ranges of hills on the south side of the river

opposite the city, and in time this became an unofficial Western concession. By 1910, the foreign population had increased to 155, of whom fifty seven were British, forty one Japanese, twenty nine Americans, twenty one French, and seven Germans. About half of the Europeans were missionaries, and these and the Japanese lived in the Chinese city and Japanese concession respectively.

Until about 1910 there had only been the small hamlet of Lungmenhao on this south side; but from then landing stages and pontoons began to be built there, and stevedores and others connected with the ships made their homes there. When foreign gunboats began to patrol the Upper Yangtze they too berthed there. By 1920, therefore, there was a considerable Chinese community living along the waterfront, with the European population on the first and second ranges of hills behind. As the Yangtze has an annual range of almost ninety feet at Chungking, the occupation of the foreshore was seasonal, going down in winter and up in summer.

In this foreign residential area, as on the Peak at Hong Kong, height was associated with social status. Almost each small hill had a taipan's house, with lesser fry occupying houses at lower levels. Taikoo House, the home of the Butterfield and Swire agent was on one of the highest hills of the first range, and was one of the most beautiful houses at Lungmenhao, of which the company was justifiably proud. The staff of the Asiatic Petroleum Company occupied several houses on another hill of the second range, with the taipan's house on the top, and houses for junior staff and a mess at lower levels. Other hill tops were occupied by the taipans of the Standard Oil, the Salt Gabelle, and the Postal Commission.

British companies usually appointed senior members of their staff to Chungking, more senior than the actual trade of the port warranted. This was because they recognised Chungking as the most important centre of British trade and influence in west China, and because its isolation often necessitated the man on the spot taking important decisions without reference to his head office in Shanghai, Hong Kong, or London.

In the 1920s and early 30s, Chungking was still in many respects a mediaeval city, with narrow winding lanes barely able to accommodate wheelbarrows. It was considered the dirtiest city in China. Although it had a long history, it was still comparatively unknown in the West. Unlike the more famous Chengtu, the capital of Szechwan, which was 150 miles north west, Chungking had no buildings of beauty or distinction.

Europeans and well to do Chinese travelled by sedan chair in the city, and every taipan had his own chair and six bearers. Four carried the chair, one man ran ahead to clear the way and carry a lamp at night, while the Number One gave occasional relief. The motor launches which took the taipans from Lungmenhao over to the city were equipped to carry the sedan chairs and their bearers, who wore the uniform of their employers. The British Consul's bearers had a white uniform with red facings; while Butterfield and Swire's and Jardine's bearers had the Taikoo and Ewo insignia on their uniforms.

In spite of a certain pre-occupation with 'face' and social status, treaty port society was never so caste ridden as Anglo-Indian society, especially in a small and remote treaty port such as Chungking. In such ports there would usually be only one club, and here Mr Smythe of the Hong Kong and Shanghai Bank might have a drink and a game of

snooker with Bob Smith, a tide waiter in the Maritime Customs. In treaty port society, however, the female of the species was snobbier than the male, and Mrs Smythe would be unlikely to entertain Mrs Smith to tea. In the larger treaty ports, of course, the two men would belong to different clubs.

In his "China Trader", A.H. Rasmussen describes how when he left the Maritime Customs, where he had been a tide waiter, and joined the staff of a commercial firm, he automatically resigned from the Customs Club to become a member of the 'Club'. Rasmussen was stationed at Kiukiang, one of the oldest treaty ports on the Yangtze, where - although the British Concession was only 300 yards long by 200 wide - there were two clubs. One was for the outdoor staff of the Customs, the tide waiters, and the other, the 'Club' for the Consuls, the Customs indoor staff, and the representatives of the shipping and trading firms.

The tide waiters of the Customs, the men who inspected ships and cargo, occupied the lowest rung of the ladder of treaty port society. When the Customs began to recruit foreign staff for this work in the 1860s and 70s, many were deserters from foreign ships, or foreign sailors who for one reason or another found themselves on the beach at Shanghai. Rasmussen himself had deserted from a Norwegian sailing ship. Conditions for tide waiters at that time were not such as to attract men of the highest standards, and Sir Robert Hart the Inspector General for nearly fifty years, was notoriously indifferent to their welfare. On the other hand, the indoor staff, the Commissioners and Assistant Commissioners, were carefully recruited from the same social class as the British China Consular Service, and many of the early Commissioners - including Sir Robert himself - came

from the Consular Service. Although in later years the tide waiters were recruited more carefully in Britain and other European countries, and their conditions greatly improved, they were still the victims of some degree of social discrimination.

It was a notable day in Chungking's Western history when the Chungking Club was opened on 22 December 1922, with - inevitably - His Britannic Majesty's Consul as President.[1] Fifty members and wives were present, and the United States Vice-Consul and officers from the British, French, and United States gunboats in the port. The club building had been erected by Mackenzie and Company, at that time owners and operators of the Loongmow, and occupied a pleasant site facing the river at Lungmenhao. A few months later a Gun Club was formed, and from then Chungking may be said to have become a treaty port in the full sense of the term. Like Peking, however, it had something of an exotic flavour.

Chungking, of course, occupied an unique situation, on a peninsula at the junction of the Yangtze and Kialing Rivers, and 1,400 miles from the sea. It was the gateway to west China, and from the 1880s many famous, picturesque, and picaresque travellers passed through the city on their way to the West. These included the indomitable Isabella Bishop, 'Chinese Morrison' of The Times, and 'One Arm Sutton'. The latter spent several months in Chungking in 1926, when he was in the employ of one of the Szechwan war lords.

In its short history as a treaty port, the foreign residents of Chungking, especially the Anglo-Saxons, experienced many vicissitudes. Both Catholic and Protestant missionaries were involved in serious anti-Christian riots in the 1890s. In June 1900, during the Boxer Rebellion, the entire foreign community, with most of the missionaries

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1 N.C.H. 13.1.23

from the interior, was evacuated to Hankow and Shanghai. In June 1925 after the 'May 30th Incident' at Shanghai, all British women and children were evacuated, and again a year later after the confrontation between the British and American naval forces and the Nationalist army at Hankow, and the 'Wanhsien Incident'.[2] In August 1927 when Anglo-Chinese and Sino-American relations had improved, a British commission went up to Chungking on the Kiawo to report on the situation, and a few months later a skeleton staff of Britons returned on H.M.S. Widgeon, which remained at Chungking during the winter as a guard ship. The naval authorities warned the shipping companies that they could not guarantee the safety of foreign steamers, and all foreign services above Hankow were suspended, except for those of the American Yangtze Rapids Steamship Company. This company ran at its own risk, and it proved an expensive operation. All its six ships were commandeered by the military, and run regardless of draught and river conditions for weeks on end, with no attention to essential repairs or maintenance. Two ships were completely wrecked, and when eventually returned the others required extensive repairs. In contrast with these disorders which accompanied the Nationalists rise to power in 1926 and 27, the Revolution of 1911 had had little effect on the foreign communities in the treaty ports or the steamer services.

Perhaps because of the ever present threat of danger, there was a special zest to life in Chungking, unknown in the more secure treaty ports. Whereas it was possible for foreigners to live in Hong Kong,

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2 On 30 May 1925 a British police officer in Shanghai ordered his men to fire on a riotous mob of students, killing twelve. This caused serious anti-British riots and an anti-British boycott.

Shanghai, or Tientsin, for many years and remain - as many did - blissfully unaware of and ignorant of Chinese politics, this was impossible in Chungking. Here politics, as represented by the diversions of the war lords, vied with the Water Mark, as the main topic of conversation.[3]

Saturday night was Club Night at Chungking, as at most treaty ports, and over twenty Europeans usually assembled at the Club. This meant at least twenty sedan chairs in the Club compound, and a hundred or more bearers gambling and sleeping there until dawn when the revels came to an end. It was a picturesque sight on such occasions, to see the lamps which preceded each chair moving up and down the several hills on the way to and from the Club.

A feature of the Chungking scene was the Szechwan pony, a small wiry animal which could carry incredible weights, and which were very skilful in negotiating the many flights of steps which led from the waterfront to the city, and which were common on many of the paved pathways in the countryside. Riding was a popular pastime with the foreign community, and also cheap. A pony with its attendant mafoo could be hired for about one dollar a day.

The officers on the British Upper River steamers fitted into this social scene, and considered themselves the aristocrats of the China coast shipping fraternity. Here more than anywhere else on the coast, reliable navigation and machinery performance was essential to avoid serious mishaps. Service on the Upper River was voluntary, and a bonus and local leave was usually granted after a season of six months there. Like the officers on the British, French and American

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3 An arbitrary mark like a tide gauge, denoting the river level, and painted at one foot intervals at certain places on the river bank.

gunboats, the officers on the Gorge steamers were accepted as members of the clubs at Ichang and Chungking. As river conditions might impose delays of several days at each end, they were frequent visitors. Non-commissioned officers and men on the foreign gunboats, however, were not so fortunate socially, although social distinctions on these small gunboats and on the Upper River generally, were much more relaxed than elsewhere on the coast. Japanese naval officers graced the clubs only on official occasion, and - like the Japanese residents in general - were not regarded as social assets to the port. Although the Japanese Navy was Anglophile, and demonstrated several instances of this in the early stages of the Sino-Japanese War on the Yangtze, in these last years on the river, Anglo-Japanese and American-Japanese diplomatic relations were not conducive to social fraternization.

Ichang became a treaty port twenty years before Chungking, but was always something of a backwater in comparison, although its small European population had its share of vicissitudes in the turbulent years. Soon after becoming a treaty port, Ichang became an important missionary centre for the Church of Scotland, who maintained one of the largest mission hospitals in China there. Ichang, of course, was not an important trade centre in its own right like Chungking, and was merely the transhipment port between the Middle and Upper Yangtze. In 1900 the foreign community at Ichang provided a club for the crews of the foreign gunboats visiting the port. Local entrepreneurs also supplied entertainment for home sick sailors, and there was a Chinese bar which later became famous as the prototype for 'Cockeye's Bar' in "The Sand Pebbles".[4]

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4 Richard MacKenna, The Sand Pebbles (Taipei 1962) Describes life on a U.S. gunboat stationed on the Siang River and Tungting Lake on the Yangtze above Hankow and was made into a successful film. There is no equivalent fiction on either Britain's Royal or Merchant Navy.

A favourite pastime for Ichang residents was a launch trip up river to see steamers and junks shoot the rapids. The Ichang Gorge, the first Gorge, was only a few miles above Ichang, with the Hsin Tan, one of the most famous and dangerous rapids, another few miles further. In the low water season this rapid became a sluice, with the river falling several feet in as many yards. At this point some of the best photographs of shooting the rapids were taken by foreign residents of Ichang.

Treaty port society resembled colonial society in the general poverty of its artistic and cultural life, which was almost inevitable in such small communities. There was little social contact between Westerners and Chinese, and neither Westerners nor Chinese were interested in the art, culture, or history of the other. Several British Consuls and Commissioners of Customs became noted Sinologues; but among the mercantile community any display of appreciation of Chinese art or culture was rare. That Chinoiserie prevalent in Western Europe in the eighteenth and early nineteenth century had almost completely disappeared before the treaty ports were established. Nor were the Chinese who gravitated to the treaty ports those most equipped to illustrate their country's cultural heritage.

Due to the leavening of other nationalities, however, treaty port society was never so aridly conventional as that of a purely British colony, although British, rather than American or French social forms were the accepted pattern. Card dropping was almost de rigueur for those with the slightest social pretensions, and the rites of afternoon tea more rigidly observed than in the home counties. On the other hand, hot cakes and syrup was a popular breakfast dish in treaty port homes as well as on British coasters and river steamers,

and could be enjoyed without serious loss of social status. This was said to have originated in Russell and Company's mess at Canton in the pre-treaty days, when Russells' imported a negro cook to add prestige to their establishment, and keep up with their great rivals, Jardines.

As in British Indian and British colonial society, there was some striving for social status, and a similar assumption of gentility. Although as time passed, an ever increasing proportion of treaty port residents came from lower middle, or upper working class circles, they suffered a sea change in their long passage to the Far East, and arrived there at least semi-fledged members of the middle class. In spite of such social quicksands, and the periodic upheavals, life in the treaty ports of China was more pleasant than in contemporary India, or in the average British colony. In addition the climate was also better.

The pleasures of treaty port life were, of course, greatly enhanced by the competence, cheapness, and honesty of the Chinese; whether as domestic servants, artisans, or clerks. In all of these roles they were superior to Malays or Indonesians, and immeasurably superior to Africans. This greatly lightened the white woman's, as well as the white man's burden, and the ability and artistry of Chinese cooks and domestic servants became a byeword. Describing Tientsin in the 1880s, L.C. Arlington, who spent a lifetime between the Maritime Customs and the Postal Service, said that a foreigner could live well and be well served for fifteen dollars per month; while in a mess of three or four bachelors the individual cost would be even less.[5] At that time chickens cost five cents, eggs were ten cents per hundred,

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5 L.C. Arlington, Through the Dragon's Eyes (1931)

whisky and gin cost the equivalent of a few shillings per bottle, and a cook steward was paid about eight dollars per month.

Chungking did not begin to acquire any of the attributes of a modern city until the early 1930s; sedan chairs for affluent citizens being still the most common form of transport in the city and environs, with goods going by shoulder pole or by wheelbarrows. The first roads for wheeled vehicles were not built in the city until after 1933, and about the same time a piped water supply and electric light plant were also installed. Until then water had been carried up from the river by an army of coolies. The construction of modern roads outside the city was also begun at this time, as part of Nationalist policy to bring war lord torn Szechwan under the control of Chiang Kai-shek.

Officers on the Upper Yangtze steamers also benefited from these factors which made life in the treaty ports so comfortable and pleasant for the foreign residents. Whether as sailors, firemen, or stewards, the Chinese crews were reliable, trustworthy, and sober. The tradition of better food, better accommodation, and superior conditions of service pioneered by the opium clippers was maintained by the late nineteenth and early twentieth century coasters and river steamers.

These ships were operated on the compradore system. A Chinese business man hired the deck passenger space from the owners, and employed his own staff to look after the deck passengers; while the chief steward looked after the officers and European passengers. The compradore was also responsible for cargo, for which he was paid by the owners. His staff, which looked after the deck passengers at sea, superintended cargo work in port, and included two or three assistant

compradores, cargo supervisors, stevedores, and cooks. Shore labour was employed for actual loading and discharging; but the compradore was responsible for stowing and for stolen or damaged cargo, and insured himself against this, often with his owners in their capacity as insurance brokers. The Number One Compradore, therefore, was a very important person, probably more important than the captain, and the success of foreign shipping companies in China depended very much on the ability to employ good compradores.

As on the Indian coast, the deck, engine and catering departments were the responsibility of the boatswain, Number One Fireman, and chief steward. Each of these employed his own staff, which invariably included a large proportion of sons, brothers, nephews, and other relations. Wages by modern standards were pitifully low; but in the conditions of the times in China, a job on a Jardine or Swire steamer was highly prized. Not only was it secure with regular wages - something of a rarity in pre-Communist China - but there was always the chance of an extra dollar or two through 'pidgin' or 'squeeze'.[6] This was a great attraction for Chinese seamen, and a few dollars earned in this manner meant more to them than two or three times that amount in regular wages. Most coasters and river steamers carried deck passengers, and it was on such ships that the crews could earn most extra money, in a variety of ways. Many of these extra curricular activities of the crew were inherited from the East Indiamen and the opium clippers, others went even further back. Hallowed as they were by tradition, they were jealously guarded and preserved until the end of the treaty port era.

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6 See Glossary for description of 'pidgin' and 'squeeze'.

This seemingly complicated method of running a ship - compradores, pidgin, squeeze, independent departments, and so on - resulted in efficient and contented ships. Relations between officers and crew were almost invariably excellent, and survived periods of Anglo-Chinese hostility and of anti-British boycotts on shore. At a time when officers on British tramp steamers, which comprised some seventy per cent of the British merchant fleet, were living on hard tack, carrying donkeys' breakfasts round with them, and were correspondingly poorly paid, officers on China coasters and river steamers were living like gentlemen.[7] There are few British navigating officers and engineers who have had experience with both European and Chinese crews, who would not admit a marked preference for the latter, a preference shared by most British shipping companies.

When the Sino-Japanese War began in the summer of 1937, the population of Chungking was probably just under one million, of whom not more than 250 were Europeans. The development of the city and of Szechwan, which had already begun by then, was greatly accelerated by the war, and by the transfer of the capital to Chungking in 1938. Since then sedan chairs and wheelbarrows have been replaced by pedicabs, buses and bicycles, and cable tramways have been constructed on the city's hills.

On the Upper Yangtze there has been extensive dredging in the post war years, and the installation of more buoys and marks. Navigation of the gorges and rapids is thus much easier and safer, and steamers can now make the round trip between Ichang and Chungking

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7 Until around 1930 many British shipping companies, including practically all tramp companies, provided no bedding for officers or crew. A 'donkey's breakfast' was the nickname given to the straw mattress which such unfortunate seamen carried from ship to ship.

in less than a week. Above Chungking smaller steamers now ply regularly as far as Ipin (formerly Suifu) on the Top River, and even beyond to Chiating on the Min River, and to Nan-ch'ung on the Chialing. Above these places navigation for junks has also been greatly improved.[8]

In Chungking the wharves have been well equipped with cranes, chutes, hoists, and conveyor belts. A major factor in all this development was the completion in 1952 of the long planned Chungking - Chengtu Railway, and in 1956 of the Chengtu - Pao-chi Railway, the latter connecting Chengtu with all of north west China. Further proof of Communist success in the development of Szechwan and the Yangtze region are the bridges, the first over the river just below Hankow being completed in 1953, within four years of the Communists coming to power; and the second at Chungking in 1955. There has also been a rapid expansion of Chungking's population in the post war years, and latest estimates put this at 6,000,000, much of this having been achieved by an extension of the municipal boundaries. Archibald Little and Captain Plant would be pleased to see Szechwan taking such a prominent place in the development of China, but unhappy that Britain and British ships were playing no part. The British connection with Chungking and the Upper Yangtze was comparatively brief; a short half century at the end of the two and a half centuries of the 'Old China Trade' and the treaty port era. Unfortunately, it was a sad conclusion.

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8 Theodore M. White and Annalee Jacoby, Thunder out of China (1946). Edgar Snow, The Other Side of the River (1962).

CHAPTER 9

Sino-Japanese War and closing of the Lower and Middle Yangtze to British ships; last days of the Royal and Merchant Navies on the Upper Yangtze, and abolition of the treaty port system. Approximately 1937 - 1941.

The Sino-Japanese War erupted in earnest on the night of 7-8 July 1937 with the fighting at the Marco Polo Bridge outside Peking. Five weeks later the war reached Shanghai and the Yangtze, when on 16 August a Japanese officer was shot by a Chinese sentry when attempting to force his way into Hungjao Aerodrome on the outskirts of Shanghai. The following day Chinese pilots attempted to bomb the Japanese flagship Idzumo as she lay at anchor off the Bund; but their bombs fell in crowded Nanking Road, killing hundreds of Chinese shoppers and wounding many more.[1] The Japanese reply to this was to bombard the Chinese areas surrounding the International Settlement from their warships in the river, and the Chinese then moved in their batteries and returned the fire of the Japanese naval forces. Previous to this the Japanese had landed 4,000 marines to reinforce the 5,000 already stationed at Shanghai, and increased their naval strength at the mouth of the river by thirty nine warships.

The earlier fighting in North China had not shaken the confidence of foreign business men in Shanghai. The previous few years had seen

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1 The Chinese government claimed that the bomb racks on some of the Chinese planes had been damaged by anti-aircraft fire.

Chiang Kai-shek's government steadily gaining strength, in spite of continued Japanese encroachment in the north, and continued lack of success against the Communists in the interior. Chiang himself, from having been the bogey man of the West in 1926 - 27, was now the darling of the West. Anglo-Chinese and Sino-American relations had never been better, and trade - except in those parts of the north under Japanese control and in the interior where the Communists were in control - was booming.

Many foreign business men in Shanghai still thought that the Japanese in Manchuria and the north would preserve the 'Open Door' policy, and that Chiang would continue his policy of ceding territory in the North, while strengthening his hold in central and south China, trading space for time. There had been so many false alarms before, and always some sort of accommodation had been reached in order to avoid full scale war. For these reasons, therefore, the foreign business community in China were looking forward to 1937 being an even better year than 1936. The bombs which fell on Nanking Road on that August Saturday morning shattered their complacency and confidence in the future. At this time there were some 11,300 British subjects in Shanghai of whom 2,300 were British Indians, over 20,000 Japanese, 11,000 Russians, 4,000 Americans, and 1,600 French.

The hostilities in the north may have been on a greater scale so far as numbers were concerned; but the fighting around Shanghai and on the Lower Yangtze had the greater share of world headlines. Although the Chinese surprised the Japanese and the world by putting up stiff resistance, Nanking had fallen four months to the day after fighting broke out at Shanghai. By then, however, the capital had

been moved 390 miles up river to Hankow. Eleven months later Chiang Kai-shek left Hankow for Chungking, which by then had succeeded Hankow as capital, and announced that Hankow would not be defended. The Japanese entered Hankow on 26 October 1938, and showed themselves in an entirely different light from at Nanking the previous December. It was an orderly occupation in contrast with the atrocities which they had perpetrated during the occupation of Nanking.

During 1938 there was a steady deterioration in the conditions under which foreign ships operated in China. The Yangtze was the trouble spot, and it was soon obvious to even the most pro-Japanese Western business men that Japan intended to establish a commercial monopoly on the Yangtze. On 10 March she announced that all ports on the Lower River would be blockaded until the war was over, and that all merchant ships would require permits, and would only be allowed to trade at specified ports. British ships were the particular target for Japanese obstructionist tactics. Japanese merchant ships were used for normal trade as well as for military purposes, and many of them were unregistered and posed as military supply ships, while British ships were banned from legitimate trade on the plea of military necessity. In February 1938 Japanese shipping on the Yangtze surpassed British for the first time, and by this time Chinese ships had completely disappeared from the coast and from the Lower Yangtze. By the middle of the year British ships had been almost completely excluded from the Lower Yangtze, and Shanghai - with the exception of the International Settlement and French Concession - was completely under Japanese control. In addition Hongkew, that part of the Settlement north and east of the Soochow Creek, had been tacitly accepted as de facto Japanese territory. Most Japanese in Shanghai worked and lived in Hongkew, and since 1932 this

area had come increasingly under Japanese control. Unfortunately more than half of the British investment in Shanghai - wharves, dockyards, factories, and public utilities - was located in Hongkew, and this gave rise to serious confrontations between the British and the Japanese. The Times stated that of the £180 million of British investment in Shanghai, over £100 million was in Hongkew.[2]

One of the main Japanese objectives in the early part of the war was the isolation of Shanghai, and this was achieved by control of the main arteries connecting Shaghai with the interior - the Yangtze, the Shanghai-Nanking, and the Shanghai-Hangchow-Ningpo railways. The Chinese themselves contributed to the isolation of Shanghai by constructing a succession of booms across the river, the first at Kiangyin about 100 miles above the mouth, and later at other places further up. These consisted of sunken steamers and stone filled junks, and were largely futile from a military aspect, although seriously disrupting such commercial traffic as was operating.

For a time British river steamers maintained a semblance of services by operating above and below these booms, which were sometimes opened to allow special ships to pass through. There was some relaxation of Japanese intransigence after the Ladybird and Panay affairs of December 1937, when Admiral Holt, the British Commander in Chief on the Yangtze was able to negotiate greater freedom for British merchant ships on the Lower Yangtze and permission for H.M.S. Capetown, the cruiser which had been marooned at Hankow since the outbreak of hostilities on the Yangtze, to leave the river. As it was the low water season, the Capetown was stripped of all surplus stores, fuel and

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2 The Times 20.8.37

ammunition by the river gunboats, and so was able to evacuate a number of European women and children from Hankow. Even so, she touched bottom several times en route to Shanghai.

The period between the outbreak of the Sino-Japanese War in July 1937 and Pearl Harbour in December 1941 was marked by increasingly hostile acts by the Japanese against the Anglo-Americans. Some of these were inadvertent, resulting from inadequate communications between the Japanese military, naval and air force headquarters. The first incident occurred in August 1937 when Sir Hugh Knatchbull-Hugesson, the British Ambassador, was severely injured when the car in which he was travelling from Nanking to Shanghai was bombed by Japanese planes about forty miles outside Shanghai. Then on 5 December H.M.S. Ladybird and British and American merchant ships anchored beside her were bombed, and a week later U.S.S. Panay was bombed and sunk, and Ladybird bombed for the second time.

From the beginning of hostilities British ships had been clearly marked with Union Jacks on their hulls, and often on decks and awnings as well; and the Ambassador's car had also been similarly marked. Apologies and compensation usually followed such incidents, and in the Panay case Japan paid the United States two million dollars. The Panay suffered serious casualties, two lives being lost and eleven men seriously and thirty one slightly wounded. Each of such incidents led to further deterioration of Anglo-Japanese and American-Japanese relations.

The major change in the pattern of coastal and river shipping between July 1937 and December 1941, was the substitution in turn of Canton, Pakhoi, Kwangchowan, Haiphong, and finally Rangoon, for Shanghai and the Yangtze. This was China's attempt to maintain

communications between the outside world and west China - the main base in the struggle against Japan. On 5 September 1937 the Japanese Naval Headquarters in Tokyo announced that from noon that day the entire coast would be closed to Chinese vessels.[3] With all Chinese shipping immobilised, this meant increased trade for foreign, mainly British, ships. British coasters which had formerly traded to Lower Yangtze and North China ports, therefore - were able to find alternative employment in the South.

In the early stages of the war this brought increased trade to Hong Kong, as for a time the West River partly replaced the Yangtze as one route to west China. For the first eight months of 1938, for instance, Hong Kong's trade increased by H.K. $.95 million because of this change; but this was only a fraction of Shanghai's loss of H.K. $.504 million over the same period. Shanghai's trade had declined drastically from the early stages of the war, imports in August 1937 being only H.K. $.55 million compared with H.K. $.124 million in July, and exports only H.K. $.44 million compared with H.K. $.88 million.

In October 1938 the war spread to south China, when the Japanese landed a large army in Bias Bay, and followed this up with a further landing at the mouth of the Pearl River delta. Canton fell on 22 October, so that the West River route to west China was almost completely blocked, although a small amount of material continued to go from Pakhoi for a short time after that, and from there by the upper reaches of the river to west China. This placed a greater strain on the route from Haiphong by the French railway to Yunnan-fu, and then on by road to Chungking. Later, after the Fall of France and Indo-

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3 The Times 6.9.37

China came under Japanese control, the age old Burma road from Rangoon and up the Irrawaddy became even more important than its most fervent apologists of the late nineteenth century had ever imagined. There was a black interval of three months between July and October 1940 when - in an abortive attempt to reduce Japanese hostility - Britain closed the Burma Road to China. When this was finally closed after the Fall of Burma in 1942, supplies to China were flown - largely by United States planes - from India over the Himalayas to Kunming and other places in China's Far West, and then on by road to Chungking.

Before this, however, British shipping activity - merchant and naval - had come to an end on the Upper Yangtze, and the last remaining British merchant and naval ships there handed over to China, which was by then an official ally of Britain and the United States. As the Japanese advance up the Lower and then the Middle Yangtze progressed, the situation on the Upper Yangtze had become more and more chaotic. After Hankow fell to the Japanese on 26 October 1938, Ichang became the end of the line, and became more and more crammed with men, materials, and shipping trying to escape to the west. The exodus slowed down a little towards the end of 1939 as the Japanese approached Ichang, which in turn was captured in the spring of 1940; but until then conditions on the Upper River were indescribable.

There were no adequate repair facilities at either Ichang or Chungking, and ships ran grossly overloaded, and with little or no attention paid to river conditions or safety precautions of any kind. Many junks which had been driven off the Upper River by the steamers re-appeared in large numbers to reap a rich harvest, and traffic between Ichang and Chungking was never heavier. Many of the junks were unseaworthy, having been laid up for years, and their bamboo

hauling ropes - normally renewed annually - were retained in use long after they were unsafe. Junk traffic had always been a problem for the steamers on the Upper Yangtze; but with hundreds now on the move compared with dozens a few years previously, the problem was magnified many times over. In these circumstances casualties were numerous, although no statistics are available for these last hectic months. One British master reported seeing ninety wrecked junks in the 180 miles between Ichang and Wanhsien.[4] The junks were often forced by the military to sail grossly overloaded and when river conditions were dangerous. The Red Boats had disappeared from the scene by this time, so that the loss of lives must have been heavy, although here again no statistics are available.

Fuel supplies became an increasingly serious problem on the Upper Yangtze during this final period, the military having commandeered the best coal early in the war, and fuel and diesel oil becoming progressively scarcer after supplies from the Lower River ceased. Various mixtures of rape seed, cabbage seed, and peanut oil were tried; but with little success. The Navy was similarly placed. As soon as hostilities commenced on the Yangtze, Rear Admiral Crabbe, Senior Naval Officer on the Yangtze, had ordered fuel to be conserved as much as possible, and conversion to coal was suggested, as even bad coal was better than no fuel at all. This was difficult without dockyard help, and this was almost impossible to obtain in Shanghai and completely impossible on the Upper River. Patrolling had to be reduced to a minimum, and it was fortunate that most cooking was normally done by the Chinese cooks with spirit stoves and charcoal burners. On the

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4 Captain G. Torrible, O.B.E., Yangtze Reminiscences (1975) p.60

Lower Yangtze the Japanese embargo on foreign ships made the coal shortage acute there, and because of their monopoly the Japanese were the only people to be well supplied. Others wanting coal had either to do without, or have recourse to enterprising Chinese merchants who stole it from the Japanese.

By the end of 1939 the only British ships left on the Upper Yangtze were the China Navigation Company's Kangting, Wanhsien, and Wanliu, the others having been lost or put out of action for one reason or another. The Indo-China Steam Navigation Company was even worse off. On 6 August 1939 four Japanese bombers raided the Asiatic Petroleum Company's installation just below Ichang, where six British river steamers, tugs, and lighters were anchored with H.M.S. Gannet. The Indo-China's Kiawo and Hsin Chang Wo were burnt to the waterline, and other craft seriously damaged. Rear Admiral Holt's protests to Admiral Oikawa produced the usual promise of investigation.[5]

Near miracles of seamanship were performed during the last period on the Upper Yangtze, many of them unorthodox, and nervous breakdowns on the part of normally phlegmatic ships' masters were not uncommon. One notable achievement was the transfer of a China Merchants Steam Navigation Company's Lower River steamer to the Upper River, an operation resembling in method, but on a much larger scale, the French gunboat Orly's passage to Chungking in 1901. Then there was the removal of the Chinese art treasures from Nanking to Hankow a few days before the fall of Nanking. These had been on display in London where they had attracted great publicity, and as Peking was

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5 Martin H. Brice, The Royal Navy and the Sino-Japanese Incident (1973) p.133

under threat from the Japanese they were taken to Nanking on their return from Britain. As part of the publicity campaign surrounding the whole operation, they had been returned in a P. and O. liner escorted all the way by a County Class Crusier. They were taken from Nanking to Hankow in the China Navigation Company's Whangpu, one of the many river steamers caught above the boom, and one of the last to leave Nanking before its capture by the Japanese. From Hankow these treasures were later taken to Chungking, where they remained for the duration of the war, after which they were returned to their original home in Peking.

As with the Merchant Navy, the Royal Navy's presence on the Upper Yangtze had been correspondingly diminished. At the outbreak of the war in 1937 there had been sixteen British gunboats on the Yangtze, four of which were within a few months isolated above Hankow by the boom. These were the Falcon, Gannet, Sandpiper, and Tern, the Sandpiper being at Changsa. Between the Munich crisis of autumn 1938 and Pearl Harbour in December 1941, British naval strength in the Far East and on the Yangtze was progressively decreased, and by Pearl Harbour only these four gunboats above Hankow and H.M.S. Peterel at Shanghai remained on the Yangtze.

Britain's surrender at Munich convinced the Japanese that they had nothing to fear from Britain. The capture of Canton had been planned from December 1937, but called off in case Britain might get involved because of Hong Kong's proximity to Canton. When news of the Munich agreement became known Japan went ahead with her plans to capture Canton and close the West River to foreign ships. Here a very similar situation to that on the Yangtze developed, with the

Chinese attempting to close the river to the Japanese with a boom above the Boca Tigris forts, and with several British river steamers and gunboats being marooned above the boom for some time. By the end of 1938 trade on the West River above Canton had been permanently stopped, although the Japanese occasionally allowed passages between Canton and Hong Kong to evacuate refugees and for other similar purposes, and allowed the ships above the boom to go down to Hong Kong.

The final operations of British ships on the Upper Yangtze were confined to drastically restricted services on the two hundred miles of the river between Wanhsien and Chungking. In early 1940 the Japanese commenced their drive on Ichang, which fell in May, and after this even these services became impossible, owing to shortages of fuel, spare parts, and other difficulties. The last three British ships, those of the China Navigation Company, were then handed over to the Chinese government, and their British officers returned to Hong Kong by road from Chungking to Kunming, then by rail to Haiphong, and finally by sea.

Some eighteen months later on 9 December 1941, a day after the Japanese attack on Pearl Harbour, China declared war on Japan, and thus became an official ally of Britain and the United States in World War II.[6] Britain then handed over the last gunboats on the Upper Yangtze to China, the Falcon, Gannet, Sandpiper and Tern. Of these, only Falcon at Chungking had remained in part commission with a skeleton crew, to act as radio link with the outside world for the

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6 Until this time neither China or Japan had declared war, both considering that it was in their best interests to treat the state of affairs between them as another 'Incident' in a long succession of increasingly serious clashes. Questions of loans and supplies of war material from abroad influenced them in this policy.

British Embassy. The others had been decommissioned in June 1940, and their crews repatriated to Hong Kong by the same route as the officers of the last British steamers on the Upper River. By March 1941, however, with Indo-China under Japanese control, Falcon's crew went overland to Rangoon by the Burma Road, her guns being conveyed by elephant for the last few hundred miles.

By this time the Yangtze Squadron had been officially disbanded, Rear Admiral Holt, the last Rear Admiral, Yangtze, having hauled down his flag and sailed for home in January 1940. At the time of Pearl Harbour, therefore, H.M.S. Peterel at Shanghai was the sole remaining Royal Naval ship in commission on the Yangtze, where with a skeleton crew she had been acting as radio link for the British Consulate. She was now almost a permanent fixture of the Shanghai scene, being secured to buoys off the Bund, which in happier days had been occupied by a 10,000 tons cruiser. Within a few hundred yards up and down river was a massive concentration of Japanese warships, including the flagship Idzumo.

News of the attack on Pearl Harbour reached her about two hours after the event, and while her commander, Lieutenant Polkinghorn, was deciding on his best course of action, he was boarded by a Japanese launch from the flagship and invited to surrender. When this was refused the Japanese party departed, and on leaving the gangway signalled their flagship, and within a few minutes Peterel was under severe bombardment from neighbouring Japanese warships, and the tiny 185 tons gunboat was soon a shambles. Before she sank Lieutenant Polkinghorn and several ratings managed to get off, and with the help of several Chinese sampans reach the Bund. Here they found sanctuary for a short time aboard a Panamanian cargo ship with a Norwegian crew, technically

a neutral ship. The Japanese, however, disregarded such legalities, and Peterel's survivors were soon rounded up and taken away at bayonet point to four years of misery as Japanese prisoners of war.

When Peterel sank off the Shanghai Bund, it was almost exactly a century after the first British naval squadron had sailed up the Yangtze to Nanking, and induced a reluctant China to sign the Treaty of Nanking. So far as the Upper Yangtze was concerned, however, the British connection lasted for just a little over half a century, if we taken the beginning as the opening of the British Consulate at Chungking in 1887, although there was no really close British involvement there until after the voyages to Chungking in 1900 of the Pioneer and the gunboats Woodcock and Woodlark. For a short period at the turn of the century extravagant hopes of a great development of British trade and commerce with Szechwan and west China were entertained, and in certain circles the idea of Britain establishing some sort of quasi-protectorate over this region was mooted.

Unlike on the Irrawaddy, there was no return of British ships to the Yangtze after the end of the war. The 1943 treaties between Britain, the United States and China, had officially ended the treaty port system, and the Kuomintang government were strongly opposed to any restoration of foreign shipping there, even on a short time basis, which might well have strengthened their economy. With the Communist victory in 1949, any lingering hopes of British shipping returning to the Yangtze were finally extinguished. The 'Amethyst Incident' of April - July 1949 merely underlined the fact that the British era on

the Yangtze had come to an end.[7] It is a striking commentary on post war development in both Burma and China, that it is now much more difficult for an unofficial foreigner to travel on the Irrawaddy or the Yangtze than it was a century ago.

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7 L. Earl, Yangtze Incident (1950)

GLOSSARY

The following words and phrases were in common use on the China coast before the war. Some are 'pidgin English', others of Arab, Indian, Malay, or Portuguese origin; while the origin of some is unknown.

Amah Chinese nursemaid, but also applied to Chinese female servants in general. From Portuguese 'ama'.

Boy Used by foreigners to describe Chinese male house servants, but not to cooks or coolies.

Bund Artificial embankment or causeway, the Shanghai Bund for example, from Hindustani 'band'. In Hong Kong and Macao the word 'praya' is used, from Portuguese 'praia', beach.

Cassab Number Two sailor of the deck department, the bosun's assistant. Origin doubtful, probably Hindustani.

Catti A weight of $1\frac{1}{3}$ pounds, probably from Malay Kati, a weight.

Chiisai A young boy learning to be a steward or a cook, similar to 'larn pidgin'. From Japanese meaning small.

Chin-chin Good bye or good health. Derived from Chinese habit of stroking the chin. Probably pidgin.

Chit A letter, note, or I.O.U. From Hindustani 'chitthi'.

Chop Mark or brand put on goods, like trade mark, seal, or signature. Derived from Cantonese 'chap' or Hindustani 'chap' to stamp or print.

Chop chop Hurry up etc. Pidgin and probably of Cantonese origin.

Chow Food, pidgin, origin doubtful.

Chow suit Dinner suit.

Coolie Name given by foreigners to Chinese and Indian labourers and menials in general. From Hindustani 'koli' a race in South India; or Tamil 'kuli'; or Turkish 'Koli', a slave.

Compradore Has a very wide application and goes back to the earliest days at Canton and Macao. It can mean anyone from agent, middleman, to general shopkeeper. On China coasters it meant the Chinese business man who hired the deck passenger space, and sometimes the cargo space, from the owners, and looked after the deck passengers and the cargo. Almost certainly from Portuguese 'comprar' to buy.

Country A generic term to describe the ships, trade, and other things in the Far East outside the reference of the chartered companies. A similar meaning to local in some cases.

Country Ships Ships engaged in the local trades of the Far East, in early days referred mainly to ships trading between India and China, and not belonging to the chartered companies.

Country Trade The trade conducted by private individuals within the domain of the chartered companies, which first began between Bengal and Bombay, and later extended east, when it was mainly concerned with the export of raw cotton and opium to China.

Cumshaw A tip, present, something extra; like 'dash' in West Africa. Derived from 'grateful thanks', pronounced 'kam sia' in the Amoy and 'kan sia' in the Cantonese dialect.

Dhoby Clothes washing, of Urdu origin.

Ewo Chinese name for Jardine, Matheson, and Company.

Face A peculiarly Chinese concept; difficult to define. Akin to pride, self respect, dignity etc. How one appears in the eyes of others.

Flower Boats Gaily decorated barges or large sampans, mainly found around Canton, Hong Kong, and Macao, and used as pleasure boats. They were much frequented by prostitutes, but rarely used as brothels.

Ginseng The medicine par excellence, believed to be a potent aphrodisiac. The best quality came from Manchuria and at one time was reserved for the Imperial family. It was obtained from the root of a tree, and in the early days of American trade with China was an important American export to China.

Godown Warehouse, from Malay 'gadang' or 'gedang'.

Hong Has a wide application; name given to a firm or business, or sometimes to the building in which the business is carried on. Origin doubtful, but may be Cantonese or pidgin.

Joss Corruption of Portuguese 'Dios', God. Used by foreigners to describe idols, temple (joss house), priest (joss man) etc. Also meaning luck, good joss for good luck, etc.

Junk Chinese sailing ship, from Javanese jung, a large boat.

Lowdah or Laodah Literally 'Great Old One', and probably of Portuguese origin. Usually applied to head boatman, captain of a launch or tender.

Man-man Hold on, wait a minute, go slow etc. Origin doubtful and may be pure 'pidgin' English.

Maskee Never mind, it doesn't matter, etc. As above.

Ningpo more far Back of the beyond. Often used to describe the destination of someone who has absconded to avoid trouble or arrest. Origin unknown.

Picul The Chinese hundredweight, 100 catties or 133⅓ pounds.

Pidgin Supposed to be a Chinese attempt to pronounce Business. Now applied to any work or 'fiddle' which brings in extra money.

Ports of Call Ports at which passengers and cargo could be loaded and discharged from foreign ships, but where foreigners had no rights of residence. At some ports of call only passengers could be loaded and discharged, at others only cargo, and at some both passengers and cargo. All ports of call were on the Yangtze and the West River, but there were none on the Yangtze above Ichang.

Samshu A Chinese rice spirit, akin to Japanese saké.

Sampan Literally three planks; any small Chinese boat, but not a junk.

Serang The Boatswain on an Indian or lascar crewed ship, or the skipper of a small Indian ship. From Persian 'serhang', commander.

Shroff Dates from earliest days at Canton and Macao, and usually means a clerk or debt collector. From Arab 'saraff', Banker.

Small chop Hors d'oeuvres, similar to Malay 'kitchi makkin'.

Squeeze Pidgin English of doubtful origin. Of very wide application, and can mean tribute paid by a junior to his superior, commission paid by shopkeepers to foreigners' servants for their patronage; a bribe. On China coasters usually described the money paid by firemen, sailors, and stewards to the heads of their department, and by those in turn to the captain and sometimes the chief engineer.

Tael A Weight of silver which varied in different parts of China. The Shanghai tael which was used in international exchange was 565.65 grams of silver, and the Haikuan tael which was used in Customs statistics was 583.3 grams. The tael was only used

for account keeping, and actual payments were made in the local currency.

Taikoo 'Ancient and honourable'. The Chinese name for Butterfield and Swire and the Chinese Navigation Company.

Taipan Usually applied to the heads of foreign businesses, and sometimes to foreign consuls. From Cantonese meaning 'Great Manager'.

Tan Chinese name for a rapid, commonly used on the Upper Yangtze.

Tiffin Lunch or mid day meal. Anglo-Indian and originally from 'taffanin', the mid day meal.

Topaz The sailor whose principal work was to clean out the bathroom and lavatories. Derived from Hindustani 'topass' a low class Hindu.

Towkay Chinese boss or shopkeeper, term was mostly used in South-east Asia.

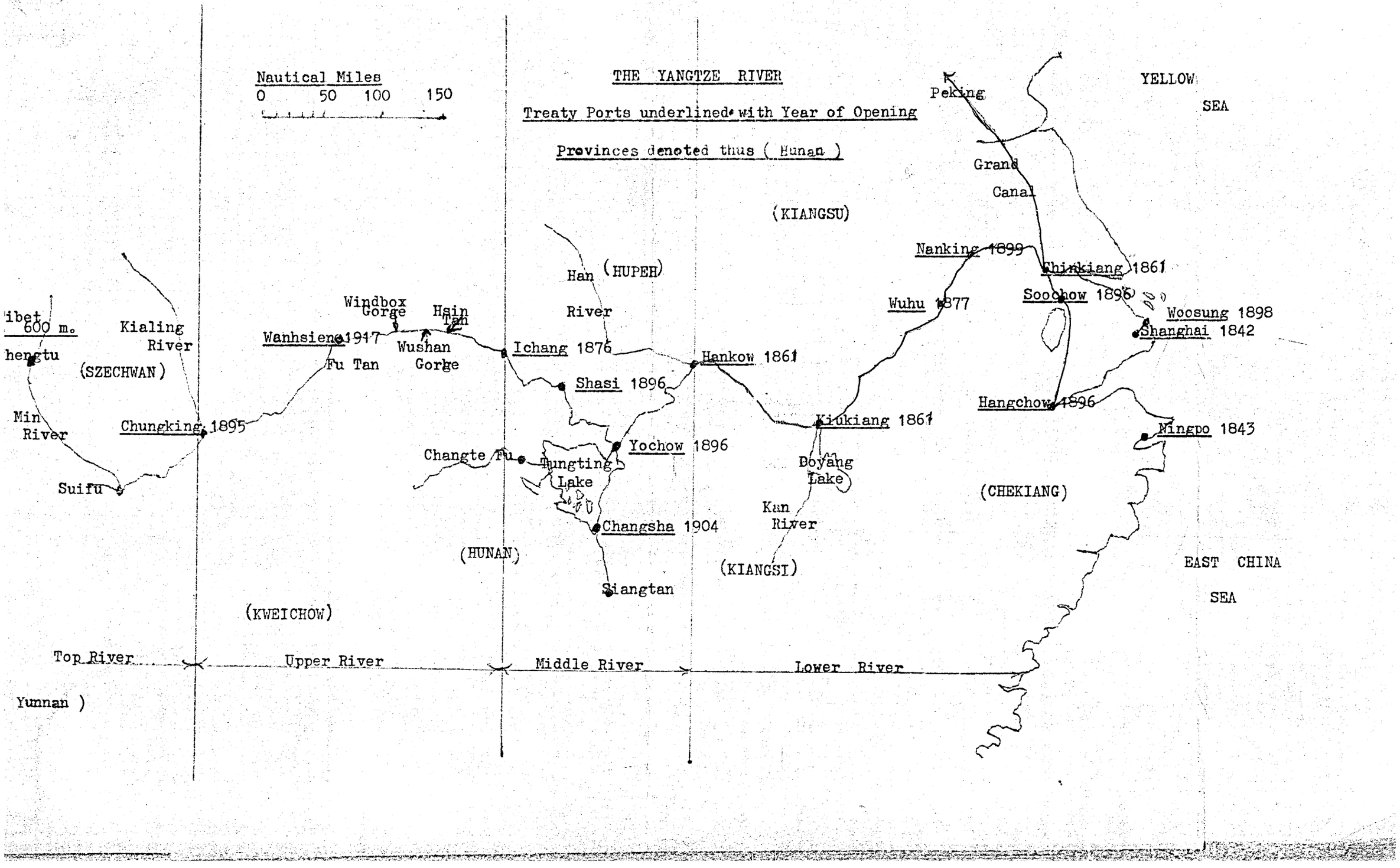
Tsungli Yamen The Chinese equivalent of our Foreign Office. Yamen also used to describe the local administrative office and gaol.

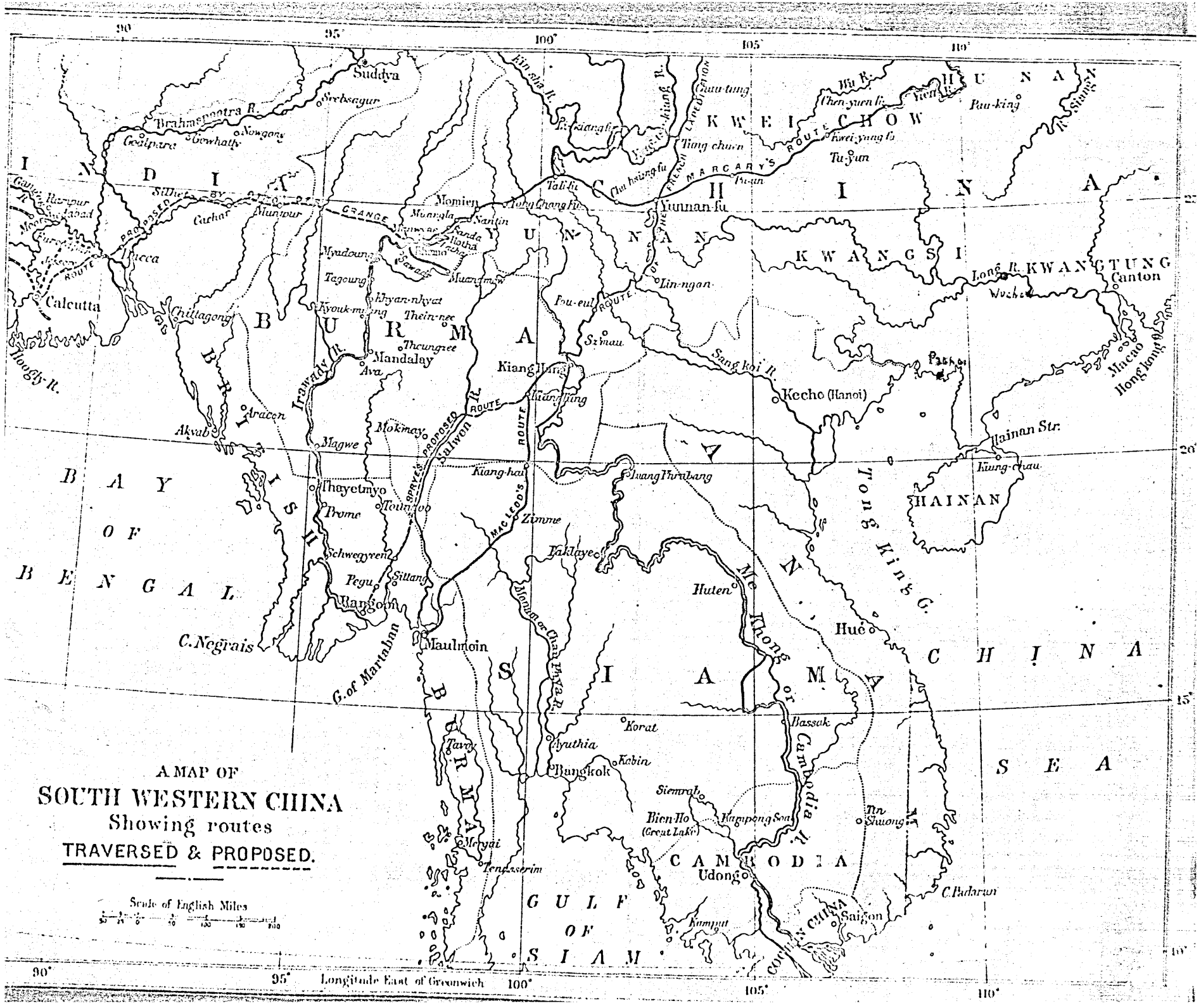
Tsze Ling Literally 'forest of type'; Chinese name for the North China Daily News, the famous Shanghai newspaper.

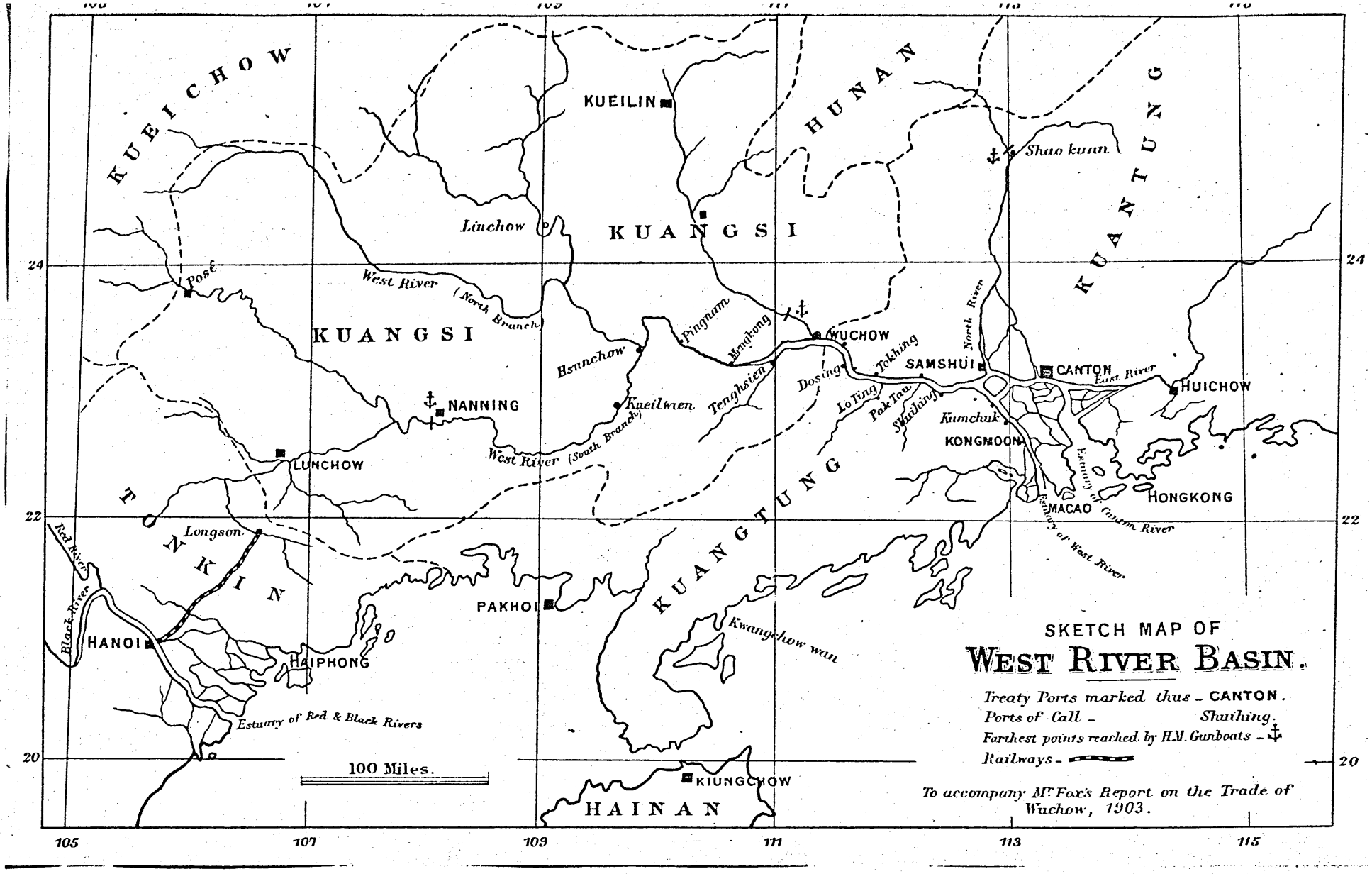
Tumelo Ship's carpenter; origin doubtful.

Wayfoong Literally 'increasing deposits'; Chinese name for the Hong Kong and Shanghai Banking Corporation.

FOREIGN ENCROACHMENT ON CHINA
THE TREATY PORTS
Canton—The original 5 ports opened in 1842-1844
Tientsin—The 9 additional ports opened in the 1860s
Aigun-ports opened by 1911 (the names of some are omitted on this map)
FOREIGN LEASED AREAS, 1898
Port Arthur and Liaotung Peninsula (Kwantung) (Russian)
Weihaiwei (British)
Kiaochow (German)
Kowloon New Territories (British)
Kwang-chow-wan (French)
NEUTRAL ZONES
IAN EMPIRE
Manchouli
Aigun
MANCHURIA
Harbin
Sui-fen
Changchun
Hun-chun
Newchwang
Mukden
Peking
Antung
Tientsin
PORT ARTHUR
Dairen
KOREA
Chefoo
WEIHAIWEI
KIAOCHOW
Tsingtao
Old mouth of Yellow R.
Chinkiang
Nanking
Wusung
Shanghai
Yangtze River
Hankow
Ichang
Chungking
Ningpo
Yochow
Kiukiang
Changsha
Wenchow
Santuzo
Foochow
Tengyueh
West Rivers
Tamsui
RYŪKYŪ IS.
Amoy
Taiwanfu
Szemao
Mengtze
Namning
Wuchow
Canton
KOWLOON
Swatow
Pakhoi
HONG KONG (Br.)
MACAO (Port)
FRENCH INDOCHINA
Haiphong
KWANG-CHOW-WAN
HAINAN
SIAM
PHILIPPINES


THE YANGTZE RIVER
Treaty Ports underlined with Year of Opening
Provinces denoted thus (Hunan)
Nautical Miles
0 50 100 150
YELLOW SEA
Peking
Grand Canal
(KIANGSU)
Nanking 1899
Chinkiang 1861
Soochow 1896
Woosung 1898
Shanghai 1842
Wuhu 1877
Hangchow 1896
Ningpo 1843
Han River
(HUPEH)
Windbox Gorge
Hsin Tan
Wanhsien 1917
Fu Tan
Wushan Gorge
Ichang 1876
Hankow 1861
Shasi 1896
Kiukiang 1861
Yochow 1896
Changte Fu
Tungting Lake
Poyang Lake
(CHEKIANG)
Kan River
Changsha 1904
(HUNAN)
(KIANGSI)
Siangtan
EAST CHINA SEA
(KWEICHOW)
ibet
600 m.
hengtu
Kialing River
(SZECHWAN)
Min River
Chungking 1895
Suifu
Top River
Yunnan)
Upper River
Middle River
Lower River


A MAP OF
SOUTH WESTERN CHINA
Showing routes
TRAVERSED & PROPOSED.
Scale of English Miles
Longitude East of Greenwich
90°
95°
100°
105°
110°
INDIA
BURMA
CHINA
YUNNAN
KWEICHOW
KWANGSI
KWANGTUNG
HUNAN
HAINAN
SIAM
CAMBODIA
COCHIN CHINA
BAY OF BENGAL
GULF OF SIAM
CHINA SEA
Suddya
Brahmapootra R.
Sebsagur
Nowgong
Gowhatty
Goalpara
Rungpur
Moorshedabad
Cossimbazar
Calcutta
Hoogly R.
Chittagong
Cachar
Munipur
Sylhet
Tucca
Akyab
Aracan
Irawaddy R.
Mandalay
Ava
Thayetmyo
Prome
Toungoo
Pegu
Sittang
Rangoon
Schwegyeen
Magwe
Mokmay
Thaungee
Kyouk-myoung
Myan-nkyat
Thein-nee
Myadoung
Tagoung
Sawadi
Momien
Muangla
Nantin
Kanda
Hotha
Muangmow
Tali-fu
Chu-hsiung-fu
Yunnan-fu
Lin-ngan
Fou-eul
Szmau
Kiang Hung
Kiang-hai
Kiang-ping
Kiang Thrabang
Zimme
Fakhayee
Mokmay
Maulmain
C. Negrais
G. of Martaban
Tavoy
Mergui
Tenasserim
Ayuthia
Bangkok
Korat
Kabin
Siemrab
Bien-Ho
(Great Lake)
Udong
Kampot
Saigon
C. Padaran
Bassak
Huen
Hué
Kecho (Hanoi)
Pakhoi
Kung-chau
Macao
Hong-kong
Canton
Wuchow
Long R.
Sang koi R.
Yuen R.
Pau-king
Tu-yun
Kwei-yang fu
Tung chuen
Chau-tung
Chen-yuen fu
Yuen R.
Kin-sha R.
Li-kiang fu
Ta-tsien-kiang R.
Me Khong or Cambodia R.
Me Khong or Chau Phya R.
Tong King G.
Hainan Str.
Ta Shuong
Kampong Soai
PROPOSED GRANGE ROUTE
MARCARY'S ROUTE
FRENCH EXPEDITION
GREY'S PROPOSED SALWEN ROUTE
MACLEOD'S ROUTE
PROPOSED ROUTE
ROUTE



SKETCH MAP OF

WEST RIVER BASIN.

Treaty Ports marked thus – CANTON.
Ports of Call – Shuihing.
Farthest points reached by H.M. Gunboats – ⚓
Railways –

To accompany Mr. Fox's Report on the Trade of Wuchow, 1903.

CHRONOLOGICAL TABLE

Principally of events concerned with shipping on the Yangtze

Date	Event	Remarks
1500	Portuguese reach China	By junk from Malacca
1600	East India Company established	Granted royal monopoly of all trade to Far East.
1636	First English ship reaches China	The London from Goa
1637	Captain Weddell at Canton with English merchant fleet.	Attempt by rivals of East India Company to trade with China.
1682	East India Company's first direct import of tea from China	Includes consignment from Amoy.
1699	East India Company's factory established at Canton	Beginning of regular British trade with China
1757	China's foreign maritime trade confined to Canton	Official beginning of the Canton System.
1773	First recorded import of opium from India to China.	By British ' country ship '.
1793	Lord Macartney's Mission to China	First major attempt by Britain to establish diplomatic relations with China.
1813	East India Company's monopoly of the Indian trade abolished	
1816	Lord Amherst's Mission to China	Second attempt to open diplomatic relations, also a failure.
1832	Jardine, Matheson, and Company officially established.	After both partners had worked together infor - mally for several years

Date	Event	Remarks
1833	East India Company's Lord Amherst visits Shanghai	Unsuccessful attempt to open trade.
1833	East India Company's monopoly of the China trade abolished	Canton now open to independent traders.
1839	Commissioner Lin arrives at Can - ton to abolish opium trade	First serious attempt to do this.
1839 - 42	First Anglo - Chinese War	Usually called the Opium War.
1842	Treaty of Nanking, British naval expedition goes up Yangtze to Nan - king.	Great Britain and China, end of war, cession of Hong Kong and opening of first treaty ports. Beginning of the treaty port era.
1844	Treaty of Wang - hsia between the United States and China.	Puts the United States on equal basis with Britain.
1845	Treaty of Whampoa between France and China	Similar to above treat - ies, with additional clauses affecting miss - ionaries.
1854	Imperial Chinese Maritime Customs established.	Chinese accept Western assistance in administr- ation of Customs.
1856 - 60	Second Anglo - Chinese War, in alliance with France	
1858	Treaties of Tientsin, between China and Britain, France, the United States, and Russia.	Leads to opening of more treaty ports and of Low- er Yangtze to foreign trade.

Date	Event	Remarks
1858	Lord Elgin with Royal Naval squadron goes up Yangtze to Hankow	Probably first foreign ships to reach Hankow.
1860	Convention and Treaty of Peking, Occupation of Peking	End of Second Anglo - Chinese War. Ratif - ication of Tientsin treaties, burning of the Summer Palace.
1861	Second naval expedition up the Yangtze, goes 123 miles beyond Hankow.	Consular posts opened at the new treaty ports, Blakiston expedition travels with squadron, and continues alone to beyond Chungking.
1862	British steamer Scotland visits Hankow	First ocean steamer to reach Hankow.
1862	Shanghai Steam Navigation Company formed by the American company of Russell and Company.	Beginning of regular steamship services on the Lower Yangtze.
1866	Butterfield and Swire open office in Shanghai.	Branch of John Swire and Sons of Liverpool, appointed Blue Funnel agents.
1866 - 68	The Lagrée - Garnier Expedition, from Saigon up the Mekong River.	French attempt to open upptrade with West China
1869	The Swinhoe Expedition up the Yangtze.	Combined naval and commercial expedition to investigate trade possibilities.
1872	The China Navigation Company formed by John Swire and Sons.	Commences services on the Lower Yangtze.

Date	Event	Remarks
1873	China Merchants Steam Navigation Company formed	With the assistance of the Chinese government.
1876	Chefoo Agreement between Britain and China.	After murder of A.R.Mar - gary. Opens Middle Yangtze to foreign trade.
1877	China Merchants Steam Navigation Company buys fleet of Shanghai Steam Navigation Company.	Heralds decline of United States shipping in China.
1878	First steamships go above Hankow.	
1879	Jardine, Matheson and Company forms the Yangtze Steamship Company.	Return of Jardines to the Yangtze.
1881	Jardines form the Indo - China Steam Navigation Company.	An amalgamation of all Jardines' shipping interests.
1883	Archibald Little travels up the Yangtze to Chungking.	Becomes an enthusiastic advocate of steam navig - ation on Upper Yangtze.
1894 - 95	Sino - Japanese War	Fought in and over Korea.
1895	Treaty of Shimonoseki.	End of war; Upper Yangtze opened to foreign shipping and Chungking becomes a treaty port.
1895 - 1900	Development of ' Spheres of Interest ' in China	Britain gets the Yangtze region acknowledged as a special sphere of British interest.
1898	First steam vessel reaches Chungking.	Archibald Little 's steam launch Leechuan.

Date	Event	Remarks
1900	First commercial steamship reaches Chungking.	Archibald Little's Pioneer, shortly after two British gunboats had made the same passage.
1900	The Boxer Rebellion	Siege of Peking Legations and International Force occupies Peking.
1902	Mackay Treaty between Britain and China.	Attempt to improve condit - ions of trade, abolish likin, etc.
1907	Szechwan Steam Navigation Com - pany formed by Chinese mer - chants and officials.	Commences first regular steamer service on Upper Yangtze.
1911	The Revolution.	End of the Manchu dynasty.
1914 - 18	World War 1.	
1914	Britain and Japan capture Tsingtao.	Japan takes over German sphere in Shantung.
1917	China declares war on Germany	
1919 - 21	Germany, Austria - Hungary, and Russia renounce all priv - eleges in China.	Beginning of the end of the ' treaty port era '.
1921	Washington Conference and Five Power Naval Agreement.	Powers recognise territorial integrity of China, end of Anglo - Japanese Alliance.
1926	Northern March of the Nation - alist armies.	Chiang Kai - shek gains control of Nationalists, Nanking becomes capital.
1926	Britain relinguishes concessions at Chinkiang, Kiukiang, and Hankow.	Anti - British boycotts, ' Wanhsien Incident ' on the Upper Yangtze.

Date	Event	Remarks
1928 - 30	China regains her tariff autonomy.	
1931	' Mukden Incident '	Japan seizes Manchuria, and later encroaches into North China
1931	Chinese Communists establish base in Kiangsi	
1933 - 36	Series of anti - Communist expeditions by Chiang Kai - shek	
1934	The Long March	Communists march from Kiangsi and establish base in Shensi Province.
1937	7 July, 'Marco Polo Bridge Incident '	Sino - Japanese War begins.
"	18 December, Fall of Nanking	Capital previously moved up river to Hankow.
1938	26 October, Fall of Hankow	Capital previously moved up to Chungking. Lower Yangtze trade now almost completely banned to British ships.
1938	22 October, Fall of Canton.	
1939	3 September, World War 2.	Stalemate in Sino - Japanese War.
"	British ships abandon services on the Upper Yangtze.	Crews repatriated by Kunming and Haiphong. End of British shipping on the Yangtze
1941	6 December, Japan enters World War 2 by attack on Pearl Harbour, etc.	Hong Kong and International Settlement at Shanghai captured by the Japanese, end of the China coast trade.

Date	Event	Remarks
1943	Treaties between the United States, Britain, and China.	Official end of the treaty port system, extraterrit - oriality, etc.
1945	End of World War 2 and defeat of Japan.	
1946	Civil War between Nationalists and Communists.	After failure of General Marshall's mission of conciliation.
1949	Defeat of Nationalists and end of the Civil War.	Capital re - established at Peking, Chiang Kai - shek flees to Taiwan.
1949	1 October, Chinese Peoples Republic established.	End of Western influence in China.
1949	' Amethyst Incident '.	H.M.S.Amethyst breaks through Communist block - ade and leaves the Yangtze, end of British Yangtze era.

APPENDIX 1

Brief Description of the Principal Treaties and Agreements of the Treaty Port System 1842 - 1943

Date	Title	Remarks
1842	Treaty of Nanking	Britain and China. First of the 'Unequal Treaties', concluded the First China War. Opened the first treaty ports to foreign trade, cession of Hong Kong to Britain, inaugurated the 'Treaty Port System'.
1844	Treaty of Wanghia	The United States and China. Put United States trade and nationals on same basis as British and amplified the Treaty of Nanking
1844	Treaty of Whampoa	France and China. Very similar to the previous treaties, with additional rights for foreign missionaries.
1858	Treaties of Tientsin	Series of treaties between Britain, France, the United States, Russia and China at the end of the Second China War. Other eight treaty ports opened including three on the Lower Yangtze, and the Lower Yangtze opened to foreign trade. Western Powers granted diplomatic representation at Peking and opium trade legalised.

1860	Convention of Peking	Ratification of the above treaties after Anglo-French occupation of Peking.
1876	Chefoo Agreement	Britain and China, after murder of A.R. Margary. The Middle Yangtze opened to foreign trade, Ichang at head of Middle Yangtze and Wuhu on Lower Yangtze made treaty ports, and several other ports made ports of call.
1885	Ratification of above	Although not ratified until 1885 terms largely fulfilled in 1876 and 1877.
1895	Treaty of Shimonoseki	Japan and China, which concluded Sino-Japanese War of 1894-95. Japan gets large territorial concessions from China and a large indemnity. The Upper Yangtze opened to foreign trade and shipping and Chungking made a treaty port. Foreigners allowed to establish factories in the treaty ports.
1901	Boxer Protocol	Concluded after the Boxer Rebellion between China and eleven Powers, including Japan. Imposed punishment on senior Chinese officials for their part in the Rebellion and a large indemnity on China. Legation Quarter in Peking enlarged and permanently garrisoned, railway from Peking to Tientsin and the sea also garrisoned. Regarded as nadir of China's foreign

		relations.
1902	Mackay Treaty	Commercial treaty between Britain and China. Attempts to improve conditions of trade, abolish likin taxes, and pave the way for eventual abolition of the treaty port system.
1943	New Equal Treaties	Between Britain, the United States and China. Abrogates previous 'Unequal Treaties', and officially ends extrality and treaty port system.

APPENDIX 2

Brief Description of Main Features of the Treaty Port System

Cabotage. Coastal and inland water trading; the restriction of this within a country's own territory.

Concession A piece of land leased by the Chinese government, or in some cases by local authorities, to a foreign government, and then sub-let to foreign merchants.

Country Ships Ships engaged in the local trades of the Far East, mostly between India and China, and not owned by the chartered companies. 'Country' was a generic term used for many things in the eighteenth and nineteenth centuries, ships, trade, special dishes etc. It is still used in some parts of India to describe coast ships.

Extraterritoriality This arose from the incompatibility between Chinese and Western systems of law. The first Europeans in China had been subject to Chinese law, although before the Treaty of Nanking the British had asserted, and often maintained, their right to some degree of 'extrality.' It was first accepted by the Chinese in the Treaty of Nerchinsk of 1689 between China and Russia; but the British and others had no legal right to such a privilege until after 1842. In essence 'extrality' meant that Western nationals were subject to their own laws administered through their own consuls.

Most-Favoured-Nation Clause First appeared in the Supplementary Treaty to the Treaty of Nanking signed at Canton on 8 October 1843. Article VIII stated "should the Emperor from any cause whatever, be pleased to grant additional privileges and immunities, to the subjects or citizens of such countries, the same privileges and immunities will be extended to and enjoyed by British subjects." This clause was automatically included in all later treaties between other Powers and

China.

Likin An inland tax on the transit of goods first mentioned in its present form in 1852, when used to provide funds to suppress the Taiping Rebellion. It was extended throughout China in 1863. Barriers for the collection of likin were very numerous, and the proper tariff - originally one tenth of one per cent - was often ignored. According to the treaties, foreigners paid import and export duty of seven and one half per cent instead of the regular five per cent, the additional two and one half per cent to cover likin and transit taxes; but this was never adhered to. Foreigners tried for long to get likin abolished by paying additional tax to the Maritime Customs; but the difficulty was that Customs and transit taxes were state taxes, while likin was provincial. Treaties attempting to solve this problem always proved abortive.

Settlement An area within which Western merchants leased land directly from the Chinese owners, which was generally done by perpetual lease. It was usually understood that control of the police should be in the hands of the foreign power, a right usually delegated to a municipal council.

Treaty Ports Ports where by treaty rights foreign powers established consulates, where foreign merchants resided and traded, and where duties on imports and exports were levied according to a tariff fixed by treaty. Some ports opened voluntarily by the Chinese government were later put on the same footing, Some treaty ports had national concessions in which municipal and police administration was in the hands of the consul of the lessee power, others had settlements or reserved areas for residence, with a municipal organisation; but where the title deeds were issued by the Chinese. There were also some places where the Chinese government itself had established international settlements.

APPENDIX 3

Ports on the Yangtze open to foreign trade in 1937

	Port	Customs Opened	Miles from Shanghai	Remarks
1	Shanghai	1842	-	Treaty port, British Consul from 1843, Consul - General from 1884.
2	Chinkiang	1858	1861	138	Treaty port, British Consul from 1861.
3	Nanking	1858	1899	182	" " , " " " 1899.
4	Kiukiang	1858	1861	433	" " , " " " 1861.
5	Hankow	1858	1861	570	" " , " " " 1861, Consul - General from 1899.
6	Ichang	1876	1876	900	Treaty port, British Consul from 1876.
7	Wuhu	1876	1876	240	" " , " " " 1876.
8	Shasi	1876	1876	810	Port of call 1876, treaty port 1896, British Consul from 1897 - 1898.
9	Hukow	1876	-	400	Port of call.
10	Wusueh	1876	-	490	" " " .
11	Anking	1876	-	340	" " " .
12	Lukikow	1876	-	612	" " " .
13	Tatung	1876	-	300	" " " .
14	Woosung	1881	-	-14	Yangtze Stage.
15	Chungking	1890	1895	1,400	Opened to foreign trade 1890, but British consular representative from 1887, and treaty port from 1895.
16	Yochow	1899	1907	723	Port of call.
17	Changsha	1903	1904	830	Treaty port, British Consul from 1905, on Siang River off Tungting Lake.
18	Wanhsien	1917	1917	1,040	Provision made in Mackay Treaty of 1902 for opening as a treaty port, but not fulfilled and opened voluntarily by Chinese in 1917.

P.S. British Consul - General established at Chengtu, capital of Szechwan in 1902.

APPENDIX 4

Early Vessels on the Upper Yangtze, exclusive of naval vessels

Particulars from a variety of sources, including Lloyds Register, China Year Book, Shanghai Newspapers etc.

Vessel	Year Built	Tons	Where Built	Hull Dimensions	Engines	Owners	Remarks
Kuling	1887	487 g.	Bow & McLachlan, Paisley	160'0" x 27'0" x 7'0"	Steam reciprocating, stern wheel paddle steamer	Upper Yangtze Steam Navigation Co (A.Little)	Refused permission by Chinese government to sail on Upper Yangtze. Sold by A. Little to China Merchants Steam Navigation Co, and operated on the Middle Yangtze
Leechuan	1898	58	Shanghai	55'0" long	Twin screw, steam reciprocating	A. Little Shanghai	Wooden steam launch, first mechanically driven vessel to reach Chungking
Pioneer	1900	160 dw	Blackwood & Gordon, Port Glasgow.	160'0" x 30'0" (over paddle boxes) x 9'6" deep	Steam reciprocating, by Dennys Dumbarton	A. Little Shanghai	Paddle steamer, passenger and cargo. First commercial steamer to reach Chungking. Sent out in sections and assembled at Shanghai. Sold to Royal Navy December 1900 and renamed H.M.S. Kinsha
Suischang	1900		Germany		Steam reciprocating, by Hull builders	Arnhold, Karberg & Co.Shanghai	Paddle steamer, passenger and cargo. Sent out in sections and assembled at Shanghai. Wrecked at Tung Ling Rapid and a total loss on maiden voyage
Shutung	1908	127	J & I Thorneycroft, Southampton	160'0" x 15'0" x 6'6"	Twin screw, steam reciprocating by Hull builders	Szechwan Steam Navigation Co., Chungking	Passenger and cargo, sent out in sections and assembled at Shanghai. First steamer to operate regular service Ichang to Chungking. Sold to C.N.Co 1923; towed a cargo flat alongside.

Shuhun	1914	179	Yarrow & Co., Glasgow	190'0" x 31'0" x 8'0" deep draught 6'0"	as above, by Hull builders	As above	Passenger and cargo, sent out in sections and assembled at Shanghai. First ship to navigate the rapids solely under her own power; sold to Sino-French Trading Co in 1922
Chingyi	1914	?	Kiangnan Dock & Eng. Co., Shanghai	?	Twin screw steam reciprocating by hull builders	Szechwan Railway Co.	Had two sister ships Leechuan and Tachuan, latter operated between Chungking and Suifu
an Lan	1917	322 298 142	as above	168'7" x 30'0" x 8'0", 7'0" draught	as above	Asiatic Petroleum Co., Shanghai (Shell)	Passenger and cargo, carried bulk petroleum products from Ichang to Chungking, at first returned empty, later under charter to C.N.Co with general cargo
Meitan	1917	668	as above	135'0" x 18'0" x ? 7'0" draught	as above 14.0 knots	Standard Oil Co. of New York	Passenger and cargo, carried bulk petroleum products from Ichang to Chungking. First American ship on Upper Yangtze.
Hung Foh	1918	403 167 198	as above	135'0" x 30'0" x 7'0" deep	as above	Compagnie Sino-Franco de Navigatione, Shanghai	Passenger and cargo. Wrecked on Upper Yangtze 1922. First French ship on Upper Yangtze
Chuchuan	1920	290 r	as above	148'0" x 31'0" x ?	as above 14.7 knots 2,000 i.h.p.	Szechwan Rly.Co., Chengtu	Wrecked on Upper Yangtze on maiden voyage

oongmow	1921	1127 423 675	as above	194'8" x 31'0" x 9'7"	as above	Mackenzie & Co Shanghai	Passenger and cargo. Sold to C.N.Co 1923 and renamed Wanliu, transferred to T.C.N. Co. 1930, and wrecked on Upper Yangtze 1932. Sold to Ming Industrial Co, salvaged, rebuilt and renamed Ming Yuen
lice ollar	1921	1114 - 560	as above	205'0" x 30'0" x 10'0"	as above	Robert Dollar & Co Shanghai (inc.USA)	Passenger and cargo, sold to C.N.Co 1925 and renamed Wantung, transferred to T.C.N. Co. 1930. Captured by Japanese 7.12.71 and destroyed by US bombs 1942. Had sister ship Robert Dollar which was wrecked on Upper Yangtze on maiden voyage
nning	1922	811 341 483	Yarrow & Co Glasgow	184'0" x 30'1" x 7'5"	as above 2,000 i.h.p.	H.E.Arnhold & Co Shanghai	Passenger and cargo, sent out in sections and assembled at Shanghai
ukwo	1922	953 527 500	as above	204'3" x 33'0" x 10'0"	as above by hull builders	Indo-China Steam Navigation Co., Hong Kong	Passenger and cargo, sent out in sections and assembled Shanghai. First Indo-China Steam Navigation Co ship on the Upper Yangtze
yochi laru	1922	1030 435 560	Kiangnan D & E Co. Shanghai	197'0" x 31'0" x 10'6"	as above, by hull builders 3,500 i.h.p.	Okada Bunji Kobe Japan	Passenger and cargo, had two sister ships, Go Go Maru and Sin Ji Maru. First Japanese ships on Upper Yangtze
anhsien	1922	1060 473 867	Yarrow & Co Glasgow	213'9" x 33'0" x 9'9"	as above, by hull builders 3,600 i.h.p. oil fired	China Navigation Co London	Passenger and cargo, sent out in sections and assembled at Hong Kong. Largest ship on Upper Yangtze and had special derrick for heavy lifts. Trasferred to T.C.N.Co 1930 and sold to Chinese 1941

:ping	1924	653 - 325	K D & E Co Ltd Shanghai	154'0" x 29'0" x 7'5"	as above by hull builders 2,100 i.h.p.	Yangtze Rapids Steamship Co Shanghai, inc. USA.	Passenger and cargo, largest ship to operate on Upper Yangtze all year round
:iating	1925	420 256 326	Yarrow & Co Ltd Glasgow	149'5" x 26'6" x 7'7"	Twin screw, steam turbines, oil fired, by hull builders	China Navigation Co., London.	Passenger and cargo, sent out in sections and assembled Hong Kong. Had two sister ships Kangting and Kintang. Operated mainly in low water season. Transferred to T.C.N. Co and sold to Chinese 1937
:uishan	1926	296 107 165	as above	121'0" x 23'0" x 5'5"	Twin screw motor ship, Gardner engines	as above	Passenger and cargo, sent out in sections and assembled Hong Kong. Had sister ship Suiting. Operated mainly in low water season and sometimes above Chungking. Transferred to .T.C.N. Co 1930 and presumed lost Singapore 15.2.42

:ey to symbols - where no statistics stated none available

:ons - g = gross, d.w. = deadweight, r. = net registered, where as 322 - gross
298 - deadweight
196 - net registered

lull dimensions - length x beam x depth as 160'0" long by 27'0" beam by 9'0" deep

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.. C.N.Co - China Navigation Company
2. i.h.p. - Indicated horse power
3. T.C.N.Co - Taikoo Chinese Navigation Company

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